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From Positioning to Practice – Brand Positioning in an Over- Communicated Society

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Abstract

- Title:** From Positioning to Practice – Brand Positioning in an Over-Communicated Society
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- Authors:** Felicia Kron, Emanuel Sjöstrand and Mina Tahajody
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- Key Words:** Brand Positioning, Brand Building, Success, Positioning Strategy, Product brands
- Purpose:** The purpose of this thesis is to identify the whole positioning process by means of existing positioning theories as well as interviews with marketing practitioners and consumers. Furthermore, the authors wish to provide the reader with an overview of the complete positioning process as well as how it is used in practice today in order to better understand how well suited positioning theories are for today's markets, thus aiding companies to gain a deeper understanding of how a successful positioning strategy can be developed.
- Methodology:** In order to get deeper insight into the positioning process and how it used today, a qualitative research method has been used. Both primary and secondary data have been collected.
- Theoretical Perspective:** The theoretical focus has been put on theories regarding positioning and how it should be applied.
- Empirical Foundation:** The empirical foundation consists of three interviews with marketing practitioners in Sweden as well as nine interviews with consumers in the ages of 21-28 in order to get valuable insight into how positioning is used today as well as how positioning is perceived amongst consumers.
- Conclusion:** The theories studied and the interviews conducted have led to the conclusion that a good positioning strategy is built on strong brand values that is maintained and communicated through all times. Furthermore, it is of great importance to consult the market and identify the consumer wants and needs, in order to successfully develop a position. The theories and processes presented in this thesis are meant to function as guidelines for developing a successful positioning strategy, however empirical data has shown that in practice some strategies seem to be easier to follow, whereas others have lost their validity due to the changes in the markets as well as consumer attitudes.

Pre Words

It has been a long and intense journey to write this master's thesis. We have had a lot of fun during this time and our understanding of the positioning as an important tool has increased massively. However, it would not have been possible without a number of people.

We would especially like to thank our supervisor Mats Urde who has guided us with an immense enthusiasm. Further thanks are directed towards the marketing practitioners at the advertising agencies. A big thank you to Sean Duffy, Klas Tjebbes, and Fredrik Åberg for your time and for sharing your knowledge and experiences in the field of positioning!

We would also like to thank all the students that participated in the discussions regarding their attitude to line extensions.

Finally we hope our thesis can help the reader to understand the positioning process and its benefits to the brand building process if used correctly.

Felicia Kron, Emanuel Sjöstrand, Mina Tahajody, Lund, May 2010

Definitions of terms

Brand: is “a name, term, sign, symbol, or design, or a combination of these intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” (Armstrong & Kotler, 2005, p. 234)

Brand Positioning: “how a brand is positioned in the mind of the consumer with respect to the values with which it is differentially associated or which it “owns”” (Marsden, 2002, p. 302)

Core Values: the “unique organisation value proposition in relation to the core processes of the organisation” (Knox et al., 2000 in Urde, 2003, p. 1017)

Brand Extension: is when “a current brand name is used to enter a completely different product class” (Aaker & Keller, 1990, p. 27)

Line Extension: is when “a current brand name is used to enter a new market segment in its product class” (Aaker & Keller, 1990, p. 27)

Brand Identity: “the key belief of the brands and its core values is called identity” (Kapferer, 2008, p. 171)

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1. Introduction

1.1 Background

There is a famous idiom saying “Rome was not built in one day” referring to the fact that one should not expect great things to happen in a very short amount of time (GoEnglish.com, 2010). Successful brands are not built in one day. It is a time-consuming process that will take planning and effort to carry out and even so there is no perfect recipe of success, not every brand will succeed (Aaker, 1996; Kapferer, 2008; Kotler, 2001; and Ries and Ries, 1999).

According to Keller and Lehmann (2006), a brand has several functions. For the company part, it serves as a way for the company to show customers what it offers. For the customers, it can simplify the choice, give a certain promise about for example quality and it can also work as a risk reducer and/or a trust creator. With a strong brand a company can among other things build customer loyalty, become less vulnerable to competition and market trends and obtain more effective marketing communication (Keller, 2001).

Aaker (1996) gives in his book *Building strong brands* ten guidelines for building a strong brand. Firstly, each brand should have an *identity*, modified to fit different market segments and products. Secondly, it is important to know what *value* and benefits the brand gives the consumer. Thirdly, the brand should have a clear *position* to be actively communicated to the consumer, which could and should include both the identity and the value of the brand. Fourthly, the communication program should be *executed* in a way that communicates the identity and value but at the same time achieves brilliance and durability. *Consistency over time* is another important part that refers to the importance of maintaining symbols and keeping the identity and position of the brand consistent over time. Furthermore, the *brand system*, the brands in the portfolio, should be consistent and their role should be known. Aaker (1996) talks about *brand leverage*, and the importance of keeping the brand identity when extending the brand and creating a new identity if ranging the brand. Furthermore, the *brand equity* should be *tracked* over time, including associations, awareness and loyalty. *Responsibility* over the brand should be given to someone that will be in charge of creating the brand identity

and position and lastly, Aaker (1996) suggests to *continuously invest* in brands even though they from a financial standpoint have not reached their goals.

“Marketing is building a brand in the mind of the prospect”

Ries & Ries, 1999, p. 2

Ries and Ries (1999) as well as Ries and Trout (2001) mean that in order to build a successful brand, it is of essence to focus on the consumers. As a brand is only as strong as its ability to influence the purchasing behaviour of the consumer, the core of marketing lies into building the brand in the consumer’s mind. If one can manage to get into the mind of the consumer, the brand has a considerably greater possibility to succeed in the long-term (Ries & Ries, 1999).

Now more than ever, people are being exposed to a large number of advertising every day and it is thus of great importance to constantly work with the brand in order to differentiate itself from competitors. Trout and Rivkin (1997) acknowledged already in the 90’s century that our society is one of information overload, where the human mind is dealing with information several times multiplied the amount of merely a century ago, and this has further intensified in the 21st century. Thus, human beings have learned to become selective with the information that we decide to absorb. They continue to state that complex pieces of information are much more likely to be “filtered away” than simple, clear messages. The implication for brand managers according to the authors is to simplify and clarify the messages that they wish to communicate regarding a brand.

“Positioning is the first body of thought that comes to grips with the difficult problem of getting heard in our over communicated society.”

Ries and Trout, 2001, p. 3

With the above discussion in mind, the authors of this thesis believe that the core of successful brand building is laying into identifying the core values and benefits of the brand and then effectively communicate these to the consumer. This is further supported by Aaker (1996) as well as Kotler (2003, as cited in Fuchs & Diamantopoulos, 2007) who mean that brand positioning is one of the key stones for building a strong brand.

1.2 Problem discussion

Warren (1916, as cited in Marsden 2002) claims that the idea of positioning was first coined two millennia's ago when the Greek philosopher Plato asserted that memories can evoke related memories which in return influence the final interpretation. Furthermore the term positioning was expressed during the seventeenth and eighteenth centuries when British empiricists developed the three "Laws of Association" (similarity, contrast and contiguity). This view suggested that positioning worked as a way to define a concept by associating simpler concepts to create a more complex one (Marsden, 2002).

In modern time, the term positioning is known as a function of branding and was first used during the seventies when advertising gurus Al Ries and Jack Trout published a series of articles on the subject in *Advertising Age* (Ries, 2010). Shortly after the publication of these articles, the concept of positioning became a key concept within advertising (QuickMBA, 2010) and since then the term positioning has been widely discussed and theorized.

"Advertising is the popular language of brands. Not only is it usually the most visible and direct means of communicating brand messages, but also consumers have been trained since birth to think and to talk about brands through the language of advertising."

Woods, 2004, p. 389

Today, advertising agencies play a large role when effectively communicating a message. Tjebbes (2010) means that advertising agencies exist to make better business and thus play a huge part in consumer communication. Elliot and Percy (2007) go one step further and suggest that advertising is a very important tool when it comes to brands and positioning. In the over-communicated society of today, it is important to distinguish oneself from the competitors and with the brand, a specific message can be communicated to and hopefully remembered in the mind of the consumer. Positioning is a critical first step when it comes to building a strong brand and it is through advertising that the desired message can be communicated.

Even though the concept of positioning has not been changed appreciably since it was first coined, consumers have. Sociologist Peter Corrigan (1997) means that although consumerism is a concept that exists within most societies, it was not until the nineteenth century that the culture of consumption as we know it today developed.

McCracken (1988; as cited in Corrigan, 1997) however maintains that consumerism in fact emerged earlier than that - in sixteenth century England when Queen Elisabeth required the nobles to attend court. By doing so the Queen created competition among the nobles and a need to stand out and be noticed, and this was achieved through different modes of consumption.

According to Campbell (1983; 1987, as cited in Corrigan, 1997) however, the development of consumerism went hand in hand with the industrial revolution where the desire to express ones individualism was the driving force. The desire to rise in the level of one's social class is also seen by Corrigan (1997) as one of the main driving forces of consumerism. This, he claims, is where marketing and advertising started to become directed towards consumerism, as manufacturers saw an opportunity in directing their marketing efforts to those who wished to climb up the social ladder.

In the nineteenth century, the transition from specialist stores with a narrow range of products to department stores and shops with wide product selections created a shift in the branding of products (Corrigan, 1997). Until then, consumers did not ask for specific brands but for the product itself, and with the emergence of shops and department stores and thus greater competition among products, there was suddenly a need to brand and advertise in order to capture the consumers.

Low and Fullerton (1994) argue that branded products in that era became visible through not only vigorous advertising, but also through the emergence of distinct packaging that made these stand out from the competitors' products. And through the use of imagery, slogans and advertising products suddenly took on emotional qualities and became brands (Corrigan, 1997).

In Ries and Trout's book *Positioning: The Battle for your Mind*, the development of consumers are being described in three different eras; the product era, the image era and the positioning era. The product era took place during the fifties and products were used as a way to symbolize the way of living. Product features were important and

companies were always looking for a unique selling point (Ries & Trout, 2001) in order to build the strongest brands. With time, companies started to realize that it was no longer only about having the best product, but to have the product with the best image, thus the image era was born (Ries & Trout, 2001). Here the concept of branding became important as well as building strong brands with a clear personality (Ogilvy, 1983). The third and last era, the positioning era, Ries & Trout (2001) claim was born in the seventies and is the era in which we are today. Due to too many products and too many competitors in the market, a need to distinguish oneself from others has grown immensely and finding a position in the mind of the consumer has therefore become of great importance for a company today.

1.3 Research Questions

As discussed above, consumer habits as well as the media landscape have evolved considerable over the years, whereas the concept of brand positioning has changed little since the term first was coined. Furthermore, the existing theories on positioning are many but even so the whole positioning process, from beginning to the end, seems to be un-documented. Therefore this has led to the following research questions:

What does the positioning process, from pre-positioning to post-positioning, look like today? Do the rules of brand positioning apply now as when the term first was coined?

1.4 Purpose

The purpose of this thesis is to identify the positioning process, from pre-positioning to post-positioning, by means of existing positioning theories as well as interviews with marketing practitioners and consumers. Furthermore, the authors wish to provide the reader with an overview of the complete positioning process as well as how it is used in practice today in order to better understand how well suited positioning theories are for today's markets, thus aiding companies to gain a deeper understanding of how a successful positioning strategy can be developed.

1.5 Delimitations

In order to facilitate the understanding of the disposition of this thesis for the reader, the researchers will clarify the topics and the extent to which these topics will be studied and analysed. As the area of positioning is quite broad, the authors of this thesis have chosen to delimitate the research in order to maintain the focus on the positioning process. Therefore, this thesis is limited to product brands as this is where the main theoretical focus is put today. Consequently, corporate brands will not be mentioned in the thesis.

Furthermore, concepts that could be linked to the concept of positioning (such as brand equity, brand attitude and brand identity) will not be further explored, as these concepts themselves are broad and therefore would lead to a lack of focus and far too wide topic area. In addition, due to the time and financial restrictions, the collection of primary data has been limited to Sweden only.

2. Methodology

This thesis is a study of the concept of brand positioning, while at the same time investigating how the rules of positioning apply in today's world where both consumers and markets are different from when positioning theories first were developed. Consequently, the researchers will take on a positivistic, epistemological point of view, and analyse secondary data as well as primary, qualitative data (Bryman and Bell, 2007). The positivistic, epistemological viewpoint implies that the constructs of brand positioning, as well as positioning used in practice and positioning as it is perceived in the mind of the consumer, exist regardless of the researchers' study (Easterby-Smith et al., 2008). Thus the researchers aim is to study these constructs in order to be able to answer the research questions previously discussed.

Moreover, the researchers have taken an inductive approach to this study. Firstly, the constructs and theories were studied in order to gain a comprehensive view of the topic and secondly, through a critical analysis of the theories and results of interviews, a hypothesis and conclusion could be drawn (Bryman and Bell, 2007).

2.1 Primary and Secondary Data

As the purpose of this thesis is to identify the positioning process, from pre-positioning to post-positioning and to see if the existing theories can be applied in practice, both primary- and secondary data will be collected. In order to explore the concept of brand positioning, secondary data will be studied via books, scientific articles and other electronic sources. Furthermore, in order to gain insight into brand positioning in practice, primary data in the form of interviews will be conducted with two advertising agencies in Malmoe, The Duffy Agency (Sean Duffy) and Eight (Tjebbes Tjebbes), as well as the Stockholm-based brand consultancy LynxEye (Henrik Åberg).

Moreover, in order to gain insight into consumer opinions, nine interviews will be conducted with consumers, five males and four females, between the ages of 21-28.

2.2 Qualitative Interviews

When collecting primary data a qualitative method will be used. This due to the fact that a qualitative research method focuses more on words and emphasizes what is being said, whereas a quantitative research method rather emphasizes on quantity when gathering data (Bryman & Bell, 2005). As the researchers wish to gain a deeper understanding of how brand positioning is used in practice, a qualitative method will therefore be the most relevant method of use when collecting primary data. Furthermore, the research will be conducted through qualitative interviews as this type of interview focuses on the standpoints of the interviewee unlike a quantitative interview, where the focus is on the interests of the researcher (Bryman & Bell, 2005).

The interviews with the agencies will all be conducted in a semi-structured, qualitative manner, which allows for more flexibility to follow up on interesting comments and diverse from the interview guide when discussing the different questions (Bryman and Bell, 2007). As suggested by Bryman and Bell (2007), the interviews will also be recorded and fully transcribed in order to minimise the risks of misinterpretation and quotation mistakes.

The interviews with the consumers will be intended more as discussions with open questions, since, as Östberg (2010) argues, this will allow the interviewees more freedom to express opinions and feelings rather than only answering specific questions. The researchers therefore will have to take on an interpretivistic, epistemological stance since the aim of these interviews is to understand the thoughts and feelings of the consumers rather than explaining their actions as implied by the positivistic view (Bryman and Bell, 2007).

2.3 Validity

Bryman and Bell (2005) mention two measurements that are important to take into consideration when conducting research, namely; reliability and validity. However, as this study contains qualitative and not quantitative data, only validity will be considered.

Bryman and Bell (2005) describe validity as how well that which one wants to measure, is actually measured. It is therefore of importance to have a purpose that is reflected

throughout the thesis as well as make sure that the research questions are answered. For this thesis, the validity will be reflected by having a clear structure that is easily followed, as well as only including theories and empirical data that is of relevance for the purpose.

2.4 Limitations

As suggested by Bryman and Bell (2007), theories and frameworks developed by academics within a certain research area can sometimes be influenced by the work of other researchers within the same area. Thus, it is important to consider that although brand positioning theories have been developed by several researchers through the years, there is a possibility that these have influenced each other and thus are quite similar at their core.

Furthermore, two of the qualitative interviews were conducted in Swedish (Eight and LynxEye), making the researchers aware of the possible subjectivity this could imply when translating into English, thus also impacting the interpretation and use of quotations. The consumer interviews were also conducted in Swedish, therefore the same subjectivity could be an issue when interpreting and translating the responses.

Although the aim of the researchers is to take an objective stance (and not express personal opinions), one must acknowledge the possibility of the interviewees answers being influenced by the style and type of questions asked by the interviewer during the course of the discussion.

The researchers are also aware that in order to gain a more comprehensive view of positioning theories used in practice, there should have ideally been more interviews with agencies or brand consultants. However, due to time and travelling limitations, as well as the scope for the thesis, these were not feasible to perform.

2.5 Criticism of sources

As the majority of the theories are mainly written by American authors, it is important to critically reflect and analyse these theories. One thing to bear in mind is that the American market and the Swedish market differ greatly in size and context, and there is

therefore a possibility that the applicability of the theories in practice could differ to some extent.

Furthermore, as the term brand positioning was coined by Ries and Trout during the seventies, it could be argued that the fact that these theories were new and revolutionising to the markets they were widely accepted and praised by many. However, it is important to be aware of the fact that the markets have evolved and developed greatly since then, and it is therefore of importance to stay critical when reading and analysing the theories.

3. Theory

3.1 Positioning - Research and Planning

3.1.1 Building a brand

Kotler (2008) identifies four levels in which strong brands are positioned, namely; attributes, benefits, beliefs and values, and personality. When a brand is positioned on its *attributes* it is merely describing what the brand is, whereas consumers are more interested in what the product can do for them rather than their mere attributes. Furthermore, product attributes are the elements that can be most easily copied by competitors (Kotler, 2008). Thus a brand can be better positioned by communicating the emotional or functional *benefits* that it delivers (Kotler, 2008).

He further argues that the strongest brands build certain *beliefs and values* that surround their product by engaging the consumer on a deeper, more emotional level, which can help build a strong relationship between their customers and the brand. A brand can also build its position around a personality, giving the brand desirable human-like characteristics and thus attracting consumers that desire and identify with those characteristics (Kotler, 2008).

It is also important for brand managers to create a vision and mission for what the brand should achieve, and decide on which level to position the brand. Brand managers should then continuously work on maintaining and supporting the brand values and personality as these are the elements that are most central and long-term to the surrounding brand strategy. And if successful in doing so, competitive and strong brands will develop over time (Kotler 2008).

According to Ries and Ries (1999), the name is the most important part when it comes to building a brand. "The best names are locked directly to a product benefit or a selling proposition. When you pair the name and the need, the positioning process is off and running every time someone hears or reads or speaks your name. Over time, your name and position become almost synonymous. You can own a category in the mind." (Trout & Rivkin, 1997, p. 114). Moreover, when there is limited attribute information of the product when making a purchase decision, it is usually the brand name that influences

the purchase (Orth et al., 2004). Without a strong name, a brand can never be successful in the long-term.

Ries and Ries (1999) suggest that a brand name should be unique, short and simple, easily pronounced and most of all, non-generic. A generic name worked in the past as it washed away the smaller competitors that worked in only one town. Today, there are far more competitors and a generic name will easily be forgotten in the ocean of similar competitive names. Furthermore Ries and Trout (2001) discuss the possibilities of a two syllable name claiming that the brain is more likely to remember such a word.

Even so, it is not necessary to invent a new word in order to get a good brand name. By taking a word out of its context, it can be used to promote a brand such as for example the word Luxury becoming the brand Lexus (Ries & Ries, 1999).

In a world of strong competition, Ries and Ries (1999) argue that a brand will come far if it is memorable. *The laws of shape and colour* suggest that the design of the brand logotype should be simple but yet recognizable in the mind of the consumer. As the eyes of the consumers are horizontally placed, an ideal logotype would have a horizontal shape. To be able to distinguish brand from brand, the colours should be the opposite of the big competitors so to not be confused with another brand. With a distinctive colour it is also easier to be remembered (Ries and Ries, 1999).

Thus, the first stage in the research and planning process of brand positioning is identified by Kapferer (2008) as the *understanding phase*, where all the added values of the brand are identified. Furthermore, an analysis of the competition as well as the consumers are needed in order to gain insight of the potential 'gap' in the market that the brand could occupy. Although this is a rather complex process, it can be simplified and better managed depending on the scope of the marketing research that is conducted.

3.1.2 Positioning in the competitive environment

Batra et al. (1996) mean that it is important to identify all the competitors in order to easier implement the most suitable positioning strategy. They differ between two categories; the primary group of competitors and the secondary group of competitors.

The primary group is those competitors that are in direct competition with the brand whereas the secondary group are all other competitors that are in competition with the brand within the category and could be competing more or less with the brand.

Once the competitors have been identified, the second step is to determine how consumers perceive and evaluate the competitors. Here it is important to find all attributes that could be of relevance and then select the ones that are most relevant and meaningful to the consumer in purchasing decisions as well as in distinguishing one brand from another (Batra et al., 1996).

According to Kapferer (2008), positioning is meant to convey a reason for purchase through a real or perceived advantage. Kapferer (2008) further argues that consumer choices are made upon a basis of comparison, and thus positioning should be a two-stage process whereby one firstly identifies what competitive aspects the brand can be associated and compared to, and secondly how the product is differentiated in comparison to the other products with the same competitive aspects. Once the product has become a valuable brand, the consumer decision will be driven by choice and no longer comparison.

“The standard positioning formula” as identified by Kapferer (2008) includes:

“For... (definition of target market)

Brand X is... (definition of frame of reference and subjective category)

Which gives the most... (promise or consumer benefit)

Because of... (reason to believe).” (p.178)

The first point concerns identifying the target market, that is buyers and potential customers, and mapping their psychological or sociological profile. The second point defines the competitive attributes that the brand will be associated with and the category of products that it will belong to. By identifying the product category the field of competition will also be known. In the third point, the brand’s main benefit or promise over others is identified in order to give it a competitive advantage over its competitors. And finally, the fourth point gives the consumers a ‘reason to believe’, a statement reinforce what has been stated in the third point (Kapferer 2008).

However, as Kapferer (2008) points out, this positioning process is one that should be applied to brands that convey a competitive advantage and not for products such as perfumes or alcohol, where there is no real brand promise or benefit. Kapferer (2008) also argues that since positioning is competition-driven; the positioning strategy will change over time as the competitive landscape evolves. However, since brand positioning is an important part of the overall brand identity it is important to stay true to the brand identity and essence, which should always remain the same.

3.1.3 Positioning and the consumers

In a short-term perspective, Ries and Ries (1999) mean that companies try to expand the brand as much as possible in an attempt to milk the brands in order to for example, gain market share when they instead should be focusing on long-term brand building. This is what they refer to as *the law of expansion*. “When you put your brand name on everything, that name loses its power” (Ries & Ries, 2002, p3). By extending the line of the brand the consumer tend to get confused with what the brand really is. Nijssen and Agustin (2005) mean that marketing managers can become pressured into putting an existing brand name on new products since this is more likely to increase the acceptance among consumers and retailer, all while keeping costs low.

Woods (2004) on the other hand, is of the opinion that brand extensions could work, but that it is then important to apply the core emotional benefit instead of the functional competence of the brand into other suitable areas in order to succeed.

Furthermore, it has been argued that much in the market has changed since the seventies when the term positioning was first coined (Aaker and Keller, 1990). Aaker and Keller (1990) mean that the price of creating a new brand instead of extending the line has become much higher due to a remarkable increase in media costs, competition and difficulty and cost of obtaining distribution. Thus to easier enter a new market, companies choose to use their already established brand name. They further argue that a line- or brand extension could work due to the fact that a strong brand name could offer the consumer a familiarity on a new market and that the cost of distribution and promotion is less expensive.

The concept of *the law of expansion* is further enforced by another main idea by Ries and Ries (1999) namely the law of contraction. This law suggests that by narrowing the focus of the brand, it can become much more competitive and strong. Ries and Ries (1999) discuss Howard Schultz who devised a business idea on creating a coffee shop that specialized in coffee. In the competitive world of coffee shops, where one can get almost anything to eat or drink, he decided to do something else by narrowing the focus of the business. Starbucks is today one of the leading coffee house chains in the world. Another example is Fred Deluca who decided to build a fast-food restaurant where one could only get submarine sandwiches. Today, Subway is a very successful franchise. By narrowing the focus, the business can concentrate on what it does best, becoming an expert at what it does, and thus appealing to the specific needs of their customers.

3.1.4 Perceptual Mapping

One important tool that can be used for the planning process is 'perceptual mapping' (e.g. Kapferer, 2008; Kotler, 2008; Hooley & Saunders, 1993; Blythe, 2003; and Fill, 2002). Kapferer (2008), Hooley and Saunders (1993), and Kotler (2008), claim this tool can provide an overview of the competitive landscape and the different positions that the competitors hold within the minds of the consumers.

The dimensions of comparison are the two key attributes as perceived by consumers, and thus these are placed on the map according to how they are perceived by the consumers. Competition is high if the different brands are clustered together, and lower if they are further apart. By studying the different positions of the brands it will be possible to find a position on the map that is still unexploited and thus will present opportunities in the market (Fill, 2002). According to Fill (2002) a company can also seize a position that is new or different and more attractive than the competitor by analysing what values or attributes consumers associate with competitors' brands.

3.1.5 Positioning Strategies

Fill (2002), argues that there are many different positioning strategies that can be adopted depending on the nature of the brand. These can for instance be market-,

customer- or appeal related. Market related positioning will be based on the competitive environment, the customer related on a unique buying reason for the consumer or the type of user, and the appeal related will communicate the symbolic aspects of the brand.

Elliot and Percy (2007) imply that brand positioning could be seen as a “supercommunication effect” that clarifies for the consumers what the brand “is, who it is for and what it stands for” (p229). The authors further suggest two different types of positioning; central- and differentiated positioning. A brand that has a central approach is a brand that is considered as having all the main benefits that consumers generally associate with the specific product category. Brands that have this positioning approach are normally addressed to as “category-leaders” or “the best brand in the category” and do not need to continuously reemphasise their benefits. However, this will only work if the consumers initially believe that the brand is the best within the category. Brands that are not centrally positioned should instead use a differentiated positioning approach. This strategy suggests that the brand should focus on one benefit that consumers see as important and then differentiate itself from competitors by becoming the best in what it does. Elliot and Percy (2007) point out that in order to effectively position oneself in marketing communication, benefits play an important part. Furthermore, they suggest that when consumers are linking these benefits to the brand, they build an attitude (positive or negative) towards the brand, which in return decides on the purchasing behaviour. By understanding how this attitude is related to the benefits a brand wish to be associated with, the desired positioning can be effective.

Positioning by product characteristics

Many authors have widened the term of positioning by talking about several different strategies that can be used. The most commonly used strategy is to use *product characteristics* (e.g. Aaker, 1982; Blythe, 2003) or *customer benefits* to describe a product or a brand (e.g. Aaker, 1982; Batra et al., 1996; and Fill, 2002). This is similar to Ries and Ries’ (1999) idea about owning a word in the mind of the consumer where a certain characteristic is associated with a certain brand as, for example, the association “safety” with the brand Volvo. It is not necessary to only use one product characteristic or customer benefit to describe a brand. However, in terms of the number of differentiators to promote, marketers seem to be in non-accordance. Some marketers

(e.g. De Pelsmacker et al., 2007; Reeves, 1961; and Lambin, 2004 suggest that brands should focus on one differentiating factor only (what is called the *Unique Selling Proposition* or *USP*), while others suggest that in some product categories where brands are similar there is a need to claim more than one differentiator (Kotler, 2008).

In some cases, companies try to position their product by using several characteristics or benefits. Batra et al. (1996) mention an example of toothpaste, where the brand Aim tried to position itself as being both a well-tasting and a cavity-fighting toothpaste. However, Kotler (2008) suggests that the more differentiators that brands claim to own, the greater the risk of consumers failing to accept the proposition/promise, and thus it could end up hurting the brand instead of making it stronger (Batra et al., 1996).

Positioning by Price and Quality

Another positioning strategy that can be used is to position oneself with the specific product characteristics of *price* and *quality* (e.g. Aaker, 1982; Batra et al., 1996; Fill, 2002; and Blythe, 2003). Batra et al. (1996) state that these characteristics together are so effective that they should be considered as a separate strategy. However, as effective as it might be, it is considered as a very difficult strategy to implement as it could be difficult to position oneself as having good quality for a low price. Fill (2002) argues that this strategy is particularly effective when high quality is communicated through a premium price. Nevertheless, it is not impossible to successfully implement a price-quality strategy, and Batra et al. (1996) give the example of Sears that has managed to maintain the image of low-price but is still considered as having quality-products.

Positioning by Use or Application

One can also associate the product or brand with a certain *use* or *application* (e.g. Aaker, 1982; Batra et al., 1996; Fill, 2002; and Blythe, 2003). According to Fill (2002) this is particularly useful when repositioning a product to include a new category and thus increase its usage. Campbell's soup did for example try to position itself as being a product used during lunchtime and its advertisements were exclusively communicated during noontime radio to make consumers associate the product with lunch (Batra et al.,

1996). *Dissociating* a brand from its product class is another strategy that can be used when the product category is uninteresting or negatively perceived (Fill, 2002).

Positioning by Product User

A product or brand can also be positioned by *product user*, referring to an association with a specific person or class of users that consume the product (e.g. Aaker, 1982; Fill, 2002; Blythe, 2003; and Batra et al., 1996). Today, many sports brands can be seen using this approach; Nike has in many of their campaigns used famous football players such as Zlatan Ibrahimovic and Ronaldinho and Adidas is currently using Messi and David Beckham. This approach is also used within the fashion industry, where many brands use famous models to try and promote their brand. Batra et al. (1996) believe that when a spokesperson with a certain personality trait is used, his/her characteristics will influence the image of the brand and, consequently, consumers will associate the brand with those characteristics.

Positioning by Product Class

Another strategy concerning positioning is to associate the brand with a specific *product class* (e.g. Aaker, 1982; Batra et al., 1996; Fill, 2002; and Blythe, 2003). In some cases, brands have found themselves trying to be associated with one product class but in reality, consumers have associated them with a completely different one (Batra et al., 1996). One example of this is 7-up, a soft-drink brand that for a long time tried to associate itself as being a thirst quencher, whereas the consumers did not think of 7-up as a soft drink, but rather a mixed beverage. In this case a new positioning strategy was developed to try to enter the minds of the consumers' as a soft drink. By developing a campaign with the message that 7-up was a logical alternative to the colas but tasted better, the "Un-cola" was born, successfully putting 7-up on the soft-drink map (Batra et al., 1996).

Positioning by cultural symbols

Batra et al. (1996), and De Pelsmacker et al. (2007) also discuss positioning by using different *cultural symbols* as a way to stand out from competitors. The strategy is to find a symbol that people find very meaningful, but that is not associated with any of the

competitors and then differentiate oneself by associating the brand with that symbol. Brands that have a *history*, *heritage*, or invoke *tradition* can also use these aspects to position themselves as more experienced, knowledgeable or of higher quality (Fill, 2002; and Urde et al., 2007).

Positioning by Competitors

The last proposed strategy is to position a brand by using the *competitors* (e.g. Aaker, 1982; Batra et al., 1996; Fill, 2002; and Blythe, 2003). This Batra et al. (1996) mean could be by comparative advertising where the attributes and characteristics of the product are directly compared to the ones of a competitor. The authors mean that the importance of this strategy is not what the consumers think about the brand, it is to make them believe that this brand is better than the brand of the competitors. Though, as Fill (2002) points out, taking on the competitors is not very well received and mostly avoided.

Repositioning the competition

However, instead of positioning a brand against its main competitor, another strategy is to reposition the competing brand in the mind of the consumer (e.g. Ries and Trout, 2001; De Pelsmacker, 2007; Kotler et al., 2001; Jain, 2000; Blythe, 2003). According to Ries and Trout (2001) driving the prospects to change their way of thinking about a competitor brand will indirectly drive them to think differently about your own brand. In their work, Ries and Trout (2001) present an example about a Russian vodka brand that reposition its main competing vodka brand as American, stating that their vodka is of better quality as it is Russian and comparing it to the main competitor whose vodka (with a Russian name) is in fact produced in the United States.

Nevertheless, it is very rare that products in the same category occupy distinct positions in the marketplace (Tjebbes, 2010). Therefore, brands need to differentiate according to specific attributes, values and brand promises that set them apart from the competition and appeals to a certain target group, argues Kotler (2008).

Kotler (2008) continues by stating that it is not enough for companies to identify and communicate these differentiating factors, the brand and company have to integrate these into all other activities/their identity.

Repositioning the brand

Once a brand is positioned within the mind and the consumers have created an opinion about them it is almost impossible to alter this image, argue Trout and Rivkin (1997). However, as society is constantly changing and evolving, it can become necessary to change the strategy for a brand and 'reposition' the brand in order to better manage challenges such as new competitors, and a changing technological or economic environment. Thus, repositioning is all about changing the existing perceptions consumers have about a brand, which indeed a complex task.

One strategy that is often recommended by Trout and Rivkin (1997), Ries and Ries (1999) and Ries and Trout (2001) is to reposition competitors in order to create a more favourable position for the brand. The authors argue that this can be done by finding a position for the brand that is at the opposite end of the position of the main competitor. Thus, consumers will have a frame of reference that will allow them to contrast the information about the brand in question with the information that has already been stored about a competitor's brand. One can also reposition a brand in order to reveal or focus on new brand attributes other than the usual ones (Melin, 1999).

Trout and Rivkin (1997), and Kotler (2008), argue that consumers need time to adjust to change, thus a repositioning strategy should be executed in a slow and delicate manner in order for any risk of anxiety and confusion among the consumers to be minimised.

Proposition strategies

Five different proposition strategies that Kotler (2008) mentions are the *more for more*, *more for the same*, *the same for less*, *less for much less*, and *more for less*.

'*More for more*' positioning is usually used for luxury products or products of superior quality that companies can charge a premium price for. A strong competitor can attack this kind of strategy by offering a product of same quality but at a lower price, using a '*more for the same*' positioning. Many discounters and specialty stores apply a '*the same for less*' strategy, which is made possible by their high purchasing power and low-cost operations. The '*less for much less*' positioning is a powerful one as there are always consumers willing to sacrifice "unnecessary" attributes in favour of a much lower price. However the '*more for less*' position could be seen as the most attractive from the

consumer's perspective, although from a company perspective it would be difficult to sustain this position in the long-term (Kotler, 2008). Furthermore, Fill (2002) points out that a combination of different positioning strategies are often used.

3.1.6 Evaluation Criteria

Once the most appropriate strategies are selected, Kapferer (2008) suggests that these be compared and evaluated against certain elements such as potential sales and profits in what he names the *strategic evaluation phase*.

Anselmsson (Transvector, 2010), mentions eight criteria that the positioning strategies should be evaluated against, namely:

- Value – are the attributes and qualities chosen valuable to the target market?
- Differentiation – are the chosen attributes different from those of competitors?
- Superiority – is the product good enough to be in the range of the consumers' choices?
- Achievability – does the chosen brand positioning concur with the current brand image?
- Less is more – will the positioning strategy focus on communicating one single attribute or several?
- Communicability – are the attributes that are more easily recognised and communicated to consumers chosen over others?
- Viability – will the brand positioning that is chosen appeal to a large enough consumer segment?
- Sustainability – are the attributes chosen difficult to copy by the competitors?

Once these steps are completed, Anselmsson (Transvector, 2010) argues that the positioning statement should not only be communicated externally, but also internally. Furthermore, all departments within the organisation that are directly or indirectly exposed to the target market must also live the position (Transvector, 2010; Kotler, 2008).

3.2 Positioning - Implementation and Communication

3.2.1 Media Planning

Ries and Trout (2001) argue that it is not enough to be the best in a certain category unless you are not the first in the mind of the prospects. The authors use the French expression “Cherchez le créneau”, meaning to “search for the hole”. By this they refer to being first in a certain category, which could not only be a new product category but also for example being the first in a price category, such as being the first high-price or low-price brand.

This leads to another main idea that is expressed by Ries and Trout (2001) in their work, namely narrowing the focus. They strongly recommend throughout their work that a brand should not strive to be ‘everything to everyone’ and should thus focus on a certain segment. Consequently, a brand should not benchmark the activities of the competitors as they expand but should focus on its core competitive advantages and target a specific segment.

Global Versus Local Positioning

Once a brand has chosen a specific position, it is important to determine whether this position should be implemented across all markets. Alden et al. (1999) conducted a study investigating a new type of positioning strategy, which they named “global consumer culture positioning” (GCCP), which reflects the increasing globalisation of business as well as consumer cultures. This positioning method is compared and contrasted against two other positioning strategies for international brands, and tested in advertising campaigns. The first, “local consumer culture positioning” tries to connect the brand in question to a local culture and the second, “foreign consumer culture positioning”, seeks to position the brand in relation to a specific foreign culture.

Global consumer culture positioning is intended to aid international brand managers when launching a global brand, and some brands can even benefit from a global positioning as global brands often are associated with modernity and quality (Alden et al., 1999). As suggested by the authors, one way to communicate a global consumer culture positioning is to use English in their marketing communications. Conversely, when wishing to develop a local consumer culture positioning the local language should

be emphasised, whereas for a foreign consumer culture positioning words and slogans from the country of origin should be used (Alden et al., 1999).

In the study conducted by Alden et al. (1999), advertising material across countries were analysed for use of global, local and foreign consumer culture positioning, and the results showed that the most frequently used strategy was local consumer culture positioning, while foreign consumer culture positioning was the least used. Thus, depending on how a brand wishes to be positioned internationally, these three strategies, as recommended by Alden et al. (1999), could be used.

Fill (2002) points out that whichever positioning strategy is adopted, it is important that the brand's marketing and promotional activities consistently convey this position. Once a company has chosen a position for a brand, it is very likely that this will have to be altered due to the evolving and ever changing nature of the market and its environment. Consumers' needs and wants change, and so do technology and other factors such as the field of competition, which implies that brands could need repositioning in order to respond to the market and stay successful (Fill, 2002; Melin, 1999).

Positioning pitfalls

In the book *The New Positioning* by Trout and Rivkin (1997), a few pitfalls are mentioned within positioning that the authors claim can destroy a good positioning strategy. Firstly, they write about the fact that most positioning concepts are so clear that they sometimes are ignored and other, more complex concepts that would not work as well are chosen. Secondly, a common pitfall is the unwillingness to niche a product, and the authors claim that companies often decide against this in order to have broader future options. The financial aspect of positioning is another pitfall mentioned. The authors state that positioning is a long-term investment and something that needs a great deal of time and financial resources.

Keller et al. (2002) mention failing to establish a clear identity as a common pitfall. "You have to know who you are before you can convince anyone of it." (Keller, et al., 2002, p. 87). According to Keller et al. (2002), companies should not build a brand position before having established a clear brand identity. Furthermore, brands should be wary as not to chose a brand position that can be easily copied by competitors.

Keller et al. (2002) further argue that some brands promote product attributes that are of no value to the consumers, thus failing to understand what the market wants. Similarly, the authors advise against benchmarking the competition as this might lead away too much from the brand's original position.

3.2.2 Communication and Positioning

According to Trout and Rivkin (1997), consumers group brands into categories and store these in their memory. Therefore, they state that in order for consumers to be able to remember a brand, there is a need to identify what category the brand belongs to. Once the category has been established, consumers can store that brand into their memory, and the more simple the category the easier it is for the consumer to retain the information. According to Kotler (2008), Solomon et al., 2006, and Kapferer (2008), consumers then base their choice on the emotions, perceptions and attributes that they have placed upon the different brands within that category. Thus, positioning is only effective when there are two or more brands within a given category (Fill, 2002; Hooley & Saunders, 1993; and Solomon et al., 2006)

Two strategies that according to Trout and Rivkin (1997) are effective ways of getting into a category within the consumers' minds are to either create a new category or segment an existing one. According to Ries and Ries (1999) this can be done by narrowing the focus to the extent that there is no category available, thus a new category can be created. Consequently, the brand will be the first brand to enter the mind of the consumer within that category or segment, and it will be the one that has the most beneficial position in the mind thus ultimately becoming the leading brand (*law of category*).

One of the most efficient ways of getting into the mind of a prospect is to be first. Ries and Trout (2001) claim it is better to be a big fish in a small pond than the opposite. Therefore they claim it is always favorable to find something to be first in, or creating a new product category as mentioned beforehand. One example they refer to in their work is imported beer in the United States. A certain brand of beer positioned itself as the first imported beer from Europe, and therefore a competing German beer brand decided to position itself as the first imported beer from Germany. By segmenting an

existing category, this gave the brand a certain front position rather than a position as one among many others. Ries and Trout (2001) continue to argue that it is possible for a brand to obtain the 'being the first' position (even though in reality they are not) if no other brand has yet to claim that position.

In today's over-communicated society, Ries and Ries (1999) mean that it is important to stand out and in order to stand out, one needs publicity. This is what the authors refer to as the *law of publicity*. "Today brands are built with publicity and maintained with advertising." (p29). As consumers tend to trust what others say more than what companies say, publicity can be an important part for building a strong brand.

When publicity is created and people start talking about the brand, it is time to start advertising in order not to lose the position to competitors. When being the leading brand within a category, it is important to maintain the leading position through advertising. Even so, Ries and Ries (1999) mean that it is expensive with advertising, but that it is a necessity in order to be able to keep one's competitors at a distance (*the law of advertising*).

However, Trout and Rivkin (1997) further argue that advertising agencies can sometimes be tempted to take a simple and clear positioning statement and ruin it by turning it into a illogical creative wonder. They mean that the purpose of advertising is not to be as creative as possible, but to communicate positioning in a clear, simple and effective way.

"Don't be cute. Tell it like it is. What's most painful is to see a company go through the strategic process and come up with a simple positioning statement, then turn it over to the creative folks and watch them get cute with it. Powerful ideas tend to tell it like it is. They're straight, not cute."

Trout and Rivkin, 1997, p. 157

3.2.3 Measuring the Outcome

Once a positioning strategy is chosen, companies must not only communicate this position consistently throughout their marketing activities (e.g. Blythe, 2003; and Aaker, 1982) but they must also "live" the brand positioning internally and externally (e.g. Kotler, 2008; and Transvector, 2010). Companies must also monitor the position (Batra

et al., 1996), as well as the changes that might occur both in the market and in their consumers' needs and wants, and adapt the positioning accordingly (e.g. Kotler, 2008).

4. Empirical Data

4.1 Interview with Sean Duffy, The Duffy Agency

Sean Duffy is the founder of The Duffy Agency with offices in both Sweden and America. Their main consultation is within social media and the main purpose is to help clients understanding the market, defining the brand and getting the employees on the same page (TheDuffyAgency, 2010).

4.1.1 Positioning - Research and Planning

Building a brand

NAME, SHAPE AND COLOUR

When being asked about the importance of colours, symbols and names when working with clients and creating a campaign for a brand, Duffy means that they are indeed important but that the most important thing is the actual product. He gives the example of being a pen salesman trying to sell a pen;

"I'm a pen salesman. This pen is already made, nothing I can do with it, so what do I have to do? I have to convince you right? That means that I actually have to make you fit the pen and a lot of people are still going nowadays we don't have to do that, that's sales. Marketing is the opposite, it's actually making the pen fit you and that means understand you to start with."

Furthermore he implies that this core principal is often forgotten within brand strategy and that people spend too much time trying to convince the consumer to buy a product when they instead should be focusing on finding the value of the product and then focus on what the consumer needs. He means that too many people are looking at the colour, the logo or the tagline and forgetting that these things do not generate value, they only magnify it.

Positioning and the consumers

As mentioned before, Duffy firmly believes that the core of marketing lies within understanding why people buy things, then understand the value of it and finally

addressing the consumers with the right communication and advertising to make sure that the product is being seen.

LINE- AND BRAND EXTENSIONS

When discussing line extensions and whether or not this is good or bad for business, Duffy points out that he does not believe in line extensions as it makes the brand more vulnerable to its competition. Even so he says that it is possible for a line extension to live due to the power of the brand and he also mentions two additional reasons to why it might work namely; shelf space in a grocery store and marketing power.

The problem that arises with line extensions, Duffy implies is the fact that it becomes difficult understanding what the brand stands for which in return confuse the consumer and weakens the brand. He gives the examples of Mercedes and Porsche who have both extended their lines within the car category. Mercedes used to be a very expensive car for older people with a lot of money and now Duffy means he has difficulties understanding what the brand means anymore. The same thing with Porsche; they started off as a sports-car brand and decided to make Porsche Cayenne which could be seen a station wagon thus moving away from the sports-car category. He also believes that there is a difference in between line extensions and line extensions. In certain categories the consumer is more elastic than in others and that a brand can be stretched to a certain extent before it goes out of the consumer's comfort zone. As an example Duffy brings up beer where making a stretch from a beer to a lower-calorie beer is more accepted than for example Porsche making Porsche Cayenne. He also believes that the elasticity with the consumers has changed since the seventies when the Ries and Trout books were written. He says that making a lower-calorie beer then was so different and could as well have been wine.

He also means that instead of extending the line of the brand, one should create a completely new brand. Unfortunately this is both a time- and money-consuming process and companies instead choose to extend the line. Another thing Duffy brings up is that the person who is making all the decisions, most likely only going to be in that same position for a limited period of time. With this he means that the marketing manager does not care enough about the brand as it is not their money and is therefore willing to take risks that might endanger the position.

LÄKEROL

One example the researchers have found interesting is the example of Läkerol extending their brand from pastilles to chewing-gum. Duffy thinks that in the Läkerol-case, they got greedy and that they would probably have profited more from creating a completely new brand for the chewing-gum instead of using the existing name of Läkerol.

“Someone walked in to [...] the marketing manager’s office, put a report down and said; look chewing-gums are eating up our marketing share, people are chewing more gum now and they are eating less of our things, we gotta do something! Oh, but let’s be a chewing gum! No, let’s be a better pastille is what you should’ve done.”

It is mentioned that Läkerol seems to have been a success when it first got launched as it got sold out in the supermarkets and to this Duffy responds that in the beginning of a new launch like that, everybody wants to try it. He brings up another example of Pepsi Clear where he personally went out and bought it just to try it. But even so, he does not believe that an extension will succeed in the long-term. What it might do instead is weakening the brand.

“I think when you do something bizarre, there’s a novelty of that, but does it provide long-term value? That’s the thing. And if it doesn’t, then it’s not going to survive, [...] the worst thing that could happen is, it kind of weakens their pastille-positioning.”

Positioning Strategies

SUCCESSFUL POSITIONING

Throughout the interview, Duffy brings up two examples of brands that have managed to position themselves in a good way. Firstly, it is Nike who has managed to become a strong brand due to the fact that the core values are the same both internally and externally:

“I think Nike is, from my exposure of brands, it’s the best managed brand in the world. They all knew exactly what the brand stood for, I mean, really to its core and they lived it. This was before everyone was talking about living the brand, they actually did live it. And if you look at everything they do, the good thing about Nike is, a lot of people think

brand is repetition, [...] brand loyalty isn't about repetition. It's not like saying here it is, run this ad a thousand times till you get so sick of it; Nike, they have campaigns running all over the place, they are all different, why can they do it? Because at the heart of them, they're all exactly the same."

The second example that is mentioned is Volvo, a brand that has managed to find a great position and stick to it:

"... Volvo has a really strong brand, people know exactly what it stands for and again, it's really in, for my sphere of reference in the States, that's a safe car. Now think of all the advantages, [...] you know people are concerned with their image in front of other people and you know cars is one of the biggest symbols of who you are and what you have achieved in your life and where your priorities are. So, I'm living in this suburbia neighbourhood and I just had kids and I do have that little sports car but it doesn't look that cool putting the kids in there, what are people going to think? Hmm, what shows my priorities? Aah, the safest car in the world! That's also a luxury import, it means I have money and my priorities are dead on the family."

UNSUCCESSFUL POSITIONING

Duffy means that a brand with a bad positioning does not really stand for anything thus not really have a position in the mind of the consumer. This could be due to the fact that it actually stands for too much, confusing the consumer and consequently creating an indefinable position.

"Saab. You know what they have? They have brand pillows and I believe there are six of them. That's why you don't know what it is. [...] They've never known what they are and they've never had the courage actually to stand for any one thing, they're everything to everybody [...]."

Duffy implies that in the Saab case, they were looking too much on what other manufacturers did and took pieces of everyone instead of creating something unique for Saab which would have been more profitable in terms of creating a strong position.

4.1.2 Positioning - Implementation and Communication

Media planning

GLOBAL VS LOCAL

Duffy means that in order to be working internationally, core values are important. If a brand has good core values, it can adapt itself to different cultures by making small changes and still stay true to the brand. He also implies that putting a new concept into a foreign market at first might be frowned upon, but that it is all about psychology and perceptions.

Furthermore, he says that apart from core values when entering a foreign market, it is also important to have brands that are ready for an international career. Duffy brings up an example of SAS which was the first international campaign that the Duffy Agency did. They came in with the thought of doing exactly the same as on the home market; playing on how different they were compared to their competition.

"SAS was the first international thing we did. They had this, some ideas that worked really well here in Sweden that they wanted to run in the States and a) it didn't make sense but b) they really reinforced the reasons why I wouldn't get on that airplane to start with. It's like, they were saying look at how different we are and I don't, would you wanna fly with "Ubakastan Airlines"? They serve, you know, goat testicles or something on the flight. No, that's exactly why you don't wanna go with them and they thought that by flexing those "look at how different we are" muscles [...] it would work."

PLANNING THE POSITION WITH COMMUNICATION

When the agency has clients wanting to help them with a campaign for instance, many of them have not really thought through the positioning strategy in a real way. They have an idea of where they are going but it is not completely thought through. He brings up an example of a client who came in with a four-page statement on their brand strategy and when the client was asked about the positioning strategy, she answered that the whole statement was the positioning strategy. Duffy was shown a four-page list of all the different product attributes that the client had been working with for months and he

means that this list was for the client what positioning was all about and he says that this is not unusual.

He further says that it is not for lack of trying, because people know what positioning is, it is just that it is rare that a client come in with a really well-thought statement and this is where the agency come in and help the clients. He then explains that the first thing that he does when looking at a positioning statement, is to ask the client if there is an opposite. If there is no alternative, then it is no positioning statement.

"It's like saying, um, I'm a person with blood in my veins. OK, oppose to what [...]?"

The second important thing is to be really crystal clear on whom one is positioning oneself against and the third thing is to have a well-defined category.

REPOSITIONING

As mentioned earlier, Duffy thinks that Nike is one of the best managed brands in the world. When compared to Adidas, he says that it is really difficult to figure out what Adidas means as they do not seem to have a clear positioning in the consumer's mind. However, he thinks that due to many of their ad campaigns they still have managed to succeed even though he cannot say what makes Adidas any different than Nike. He also thinks that Adidas is in a tough spot behind Nike and to actually surpass Nike they would probably need to reposition the brand.

"Adidas? Yeah they have some case to work on; I mean it's a tough spot. But only limited by imagination, I mean, that's where creativity comes in, in the strategy. There is a way for them to do it, there always is, or at least start eat of the market share a little bit but I don't know what that would be."

Communication and positioning

SOCIAL MEDIA

When it comes to social media, it is again important to know what the core values are and to stay true to the brand because if not, social media is going to be the worst thing

for the brand as it is going to magnify the fact that no one within the company knows what the brand stands for.

ADVERTISING

During the interview, creativity and whether or not it is overrated within the advertising world, is being discussed. Duffy points out that a lot of advertising agencies are trying to compete with each other on who is the most creative one. He further explains that there are awards for the most creative advertisements but no awards for selling things, being on brief (which is the statement the agency work with when creating a campaign for example) or helping clients do their positioning. He also believes that people get involved in advertising for the wrong reasons.

"A lot of people get involved in advertising because it looks like really sexy in the outside, like what a pony looks to a young person. I'm gonna buy a pony and your parents are trying to tell you yeah, but you gotta take care of it, you gotta shovel the crap out of the stable everyday but they don't see any of that. All they see is the shiny little pony and they wanna have it. Same thing when people come in here except they'll never actually get into the stable just like the kid won't, the parents are actually getting rid of the horse."

Instead of working with who is being more creative, Duffy thinks that it is important to keep the creativity do themselves and working on getting the job done.

CREATING A CATEGORY

When discussing categories and success, Duffy explains that a parallel can be drawn with being first within the category and success.

"There will always be three brands dominating the market. I think that has a lot to do, I think Nike created this category. I remember in high school when their sneaker first came out. There was nothing like it, it was not even anything close to like it, it was like from Mars or something and it was so light, it was nothing to it, you could bend the tip up to the end of it, it was fantastic. That has a lot to do with success, they basically, before that it was Converse, and that was basically as close to a sneaker that we had."

They changed all that so, in having set that category in motion, there's going to be two others."

ADVERTISING PROCESS

The Duffy Agency has its own criteria for creating brand positioning strategies. Duffy means that theories are good but to actually implement them in reality might not be as easy.

Measuring the outcome

LIVING THE BRAND

Furthermore, Duffy means that a big part of a strong brand is the person behind the brand.

"If you look at strong brands, a lot of times [...] there's usually some strong personality, someone with a really clear vision of what they're doing behind it and that kind of vision gets translated through that."

He brings up a few examples of brands that are strong due to a passionate character behind the brand (IKEA and Apple for instance). He also believes that when these passionate persons will leave the brand, the brands will slowly deteriorate over time.

"The only thing that keeps something I believe, like a brand is some sort of passionate drive by some person. What happens after that is that when that person dies, it's just money to the other people. They don't care, you know. I just want to make my pay check and retire and you can see that. It is rare that you'll find the successor to carry the passion even if it gets watered down a little bit because they don't fully get it."

4.2 Interview with Klas Tjebbes, Eight

Eight is a communications agency (formerly McCann Malmö) situated in Malmö, Sweden, who are associated with McCann-Erickson Worldwide. They have worked with a wide range of national as well as international clients, and their purpose is to build better business through clever communication.

4.2.1 Positioning - Research and Planning

Building a brand

In order to first and foremost be able to identify where the brand stands, Tjebbes says that you have to start by performing a 'status check'. That is, answering questions such as; Where are we right now? Where do we want to be? and, What are our objectives? This Tjebbes claims is necessary in order to be able to ask the right kind of questions when conducting research at a later stage. Once this is done one can start building upon that platform, and creating the right kind of text, images and other elements.

Positioning and the consumers

However, it's the common man out there that has to like what you have created. Therefore there is sometimes a need to disregard some attributes or qualities in favour of others that more easily catches people's attention, and that is the most difficult part, and it takes courage and talent says Tjebbes.

BRAND EXTENSIONS

When asked how he feels about brand extensions in general, Tjebbes says that they are not good for your brand and they involve high risks. However, he continues that they are a necessity in order to maintain a good distribution channel. In the past few years the power has shifted to the retailers, according to Tjebbes. ICA, as an example, decides whether a brand is to be sold or not, and this is why brands have to resort to extensions.

"You just have to have five different kinds of Pepsodent, otherwise you won't have any shelf space at ICA."

Nobody really needs to have all these products, but they are needed in order to be part of the distribution, Tjebbes says. The retailers pressure the manufacturers into creating brand extensions, or the retailers launch private brands. Most retailers have successfully built private brands today even though they do not produce them themselves - the manufacturers do. In the long-term, Tjebbes means that this will have disastrous consequences leading to lower quality products. However, he feels that building brands will always be important as they drive consumers to the stores. What has changed is the

way that brands are being built, and Tjebbes feels that the new web, social networks and brands that are honest and open will be the future.

LÄKEROL

When discussing how brands that normally stand for one thing, taking Läkerol as an example, decide to launch brand extensions (Läkerol Chewing Gum), Tjebbes agrees that it goes against how brands should act in theory, but that it is however not how it works in reality. He points to the fact that the textbooks and theories used were written quite a few years ago, and the markets are constantly changing. Even three years ago brand managers were much more considerate of 'doing the right thing', says Tjebbes. But once again, the distribution is the pressing factor. There are also some capitalistic ideas behind extending the band, argues Tjebbes; put simply, Läkerol and Leaf (the company behind the brand) need to increase sales and volume. He means that it is all about pushing as much as possible into the market, and the people that are behind these decisions aren't concerned as to if it will hurt the brand in the long-term. Their only interest is maximising sales, so that they can strengthen personal achievements within the company, says Tjebbes.

NARROW THE FOCUS

When discussing some principles that Ries and Trout have argued in their books in the seventies, such as the importance of narrowing the focus of your brand and appealing to a specific segment, we asked whether the answers given today would have looked different five years ago. Tjebbes responded that they would have been. He points to the fact that there aren't any unique positioning (strategies) anymore. In the seventies for example, if a new technology for a refrigerator was invented that technology would last a couple of years, today it would only last a couple of minutes, says Tjebbes. Therefore, he means that brands can no longer narrow their focus (at least not in small markets such as Sweden) and build on their uniqueness, they have to be built on strong core values and connect with the consumers on an emotional level in order to be successful.

Positioning Strategies

SUCCESSFUL POSITIONING

When asked whether he can mention a brand that has a strong position in the market, Tjebbes mentions Zoegas. Zoegas is a brand that he himself has worked with previously, which was successfully and deeply rooted in Scania, Sweden. However, at one point, the strong connection to the Scanian region meant that they were only appealing to a small part of an already small market. Therefore, they created a new positioning around their main attribute Mörkrost, and since then all of their products have been carefully positioned upon that brand essence. Zoegas took a big risk with this since dark-roasted coffee was not liked by many at that time, says Tjebbes. But Zoegas has kept their focused on this attribute for the past decade and have managed to double their market share while keeping the Zoegas brand and even adding more sub-brands to the line. Therefore Tjebbes believes that they are a strongly positioned brand within their category.

UNSUCCESSFUL POSITIONING

When asked whether he can think of a brand that has not been as successful with their positioning strategy, Tjebbes mentions Findus. Findus is a traditional, household brand in Sweden that many people have grown up with. And they have also always had quality frozen vegetables, and have generally been known as a good quality, Scanic food brand. However, Tjebbes means that Findus have managed to destroy the credibility of their brand since launching a wide range of ready meals that weren't perceived as good quality, while at the same time overlooking the products that were actually valued by consumers.

He means that the only reason behind this has been increasing sales, and that a lot of profit can be made by selling ready meals. This is however at the cost of damaging the brand, which the decision makers at Findus failed to see, says Tjebbes.

REPOSITIONING

When asked whether repositioning a brand that is strongly associated with something is possible, Tjebbes means that it is really only a financial matter and that anything is possible if you have the budget for it. It would however be very difficult and costly.

Tjebbes mentions a case that he worked with a few years ago, namely Findus baby food. The Findus brands used to be owned by Nestlé until they decided to sell Findus, only keeping the Findus baby food range. Therefore they had to rename the product, which proved a bit tricky due to the bad reputation of Nestlé in Sweden – at that time there were even boycotts against them. Tjebbes says working on that brand switch and going from Findus, which was a brand that everyone liked, to Nestlé who nobody liked was indeed a difficult task. However, they did manage to turn people's perception of the brand around by building on the one thing that differentiated Nestlé from others: their expertise. Tjebbes admits this was a costly mission that took years to complete, but that the brand did manage to increase market share to previous levels.

4.2.2 Positioning - Implementation and Communication

Media Planning

PLANNING THE POSITION WITH COMMUNICATION

According to Tjebbes, most of the models used in the communications industry are equally efficient, but what is important is how they are implemented. In terms of positioning theories that the agency uses as guidelines, Tjebbes explains that the agency works with their own model that they call the 'Eight steps', which was developed after about twenty years of working with different models. The Eight steps model involves elements such as a 'status check', and is followed by thorough research and actual brand building and market communication. He further means that these steps, or guidelines, are also followed by the creative team, and that their creativity has a purpose.

"All communication really is, is a platform to increase sales"

The purpose of creativity is not just to be creative with ads or commercials, but to increase sales for the clients, says Tjebbes. One area that according to Tjebbes leaves a lot of room for creativity today, and is very cost-efficient, is to look at how you choose your media. Only a few years ago, companies could launch a brand and use traditional media such as TV, outdoors, print and maybe create a campaign website to get the message out. However, Tjebbes means that this is not possible today since agencies are not the only ones building the brands anymore, they are building them together with their consumers.

Communication and positioning

SOCIAL MEDIA

According to Tjebbes, among all the new media that has arisen recently, social media and networks are indeed the most famous at present. Tjebbes believes that social networks allow brands to communicate and open up to their audience without doing any actual selling, which allows for a more honest relationship. He means that if brands can manage to use these media properly, they can become very successful. And this is where the creative team comes in; they can come up with new ways of reaching the consumers, whether it is an application for the iPhone, a video game or just giving away products for free. To Tjebbes, that is much more about communication than just a commercial.

ADVERTISING

When asked what Tjebbes thinks about Ries and Trout's belief that effective and successful communication is simple and clear, Tjebbes says that he completely agrees. The advertising industry has gone on a strange sidetrack, says Tjebbes.

On the one hand it feels threatened by concepts such as action marketing, and on the other hand there are festivals such as the one in Cannes that awards humorous wonders. According to Tjebbes, that is far from what the industry is about, and he says that if you manage to create communication that is simple, trustworthy and that touches people, then you are on the right track.

ADVERTISING PROCESS

Tjebbes believes that everything we humans do is communication, whether it's asking questions, sending an email, creating a report, making a commercial or even playing with our children. Because of this Tjebbes says that communication is one of the most important aspects of business. Companies and consumers alike have changed in the way they communicate and receive communication, and this is why brands no longer are being built by companies, but also by the consumers.

"The world has changed. It's not the way it used to be, you can't just grab a megaphone and tell people what to think anymore because we are passed that."

This is where Tjebbes believes it is important to be creative in how you choose to communicate to your market - you have to think media in a completely different way. Everything is media, Tjebbes says. Brand strategies are therefore useless if you can't convert them into communication that is actually worth something, and this is why it is important to build the brand strategy together with the communication platform in mind.

Measuring the outcome

LIVING THE BRAND

If Tjebbes could give one piece of advice to brands, it would be:

"Be true to your heart. Decide who you want to be and then be true to yourself. I think that is the most important thing when building a brand and its communication."

4.3 Interview with Fredrik Åberg, Lynxeye

LynxEye is an international brand-consulting agency located in Sweden and Denmark. They have worked with major international brands across markets, and their mission is to build brands that truly make a difference and lead to success for their clients.

4.3.1 Positioning - Research and Planning

Positioning and the consumers

According to Åberg, the brand positioning process often starts with segmenting the market, which can be done through different types of surveys. This can help to divide the market into different segments and then analyse each of these segments in order to identify which one would be the most appropriate to target.

One perspective that is always considered in the surveys is how the consumers within that segment feels about our brand, says Åberg. Therefore the starting point for the positioning process would be the consumers, to find out what their thoughts and feelings are regarding brands and what kind of attributes for example that they value the most within the category. This might sometimes enable the company to find

positions that the consumers might find valuable, but that no brand has yet to exploit, thus providing them with a possible positioning strategy.

According to Åberg, the qualitative studies can also help them to gain a deeper understanding of what it is that drives the consumers and how they can create a strong relationship with the brand and its target market. In some qualitative methods 'positioning prototypes' can be created that allow for insightful discussions with the target consumers, and if they would find a certain brand appealing to them and if not then why, and so forth. This way you could reach a new, better position for your brand, Åberg says.

Perceptual mapping

When asked whether Åberg or LynxEye use the perceptual mapping tool, Åberg responds that it is a very common and useful way of visualising how the different segments relate to each other. And therefore, it's a good way of contrasting how different segments are related to each other. But, Åberg points out that it is not through plotting the different brands in a perceptual map that you find your target market, for that there are much more specific evaluation criteria. What perceptual mapping is good for and can help with is segmenting the market and being able to identify several different possible segments, which then makes it possible to see which ones to target.

LINE AND BRAND EXTENSIONS

When asked about his opinions on brand/line extensions, Åberg expresses a very positive feeling toward them.

"Brands exist so that you can make money out of them. From my perspective that's the purpose of a brand."

Åberg further mentions that the theories that exist regarding this subject are outdated now since most of them were written in the 1970-80's. He believes that the consumers were a lot less tolerant towards line extensions and that is why it was believed that it would hurt the brand in the long-term. Åberg means that this is no longer valid today. Considering the sheer number of brands that do line extensions, whether they are successful or not, it is just not as revolutionary that a clothing brand would start making perfumes today, says Åberg. Neither does he believe that a brand extension failure

would cause much damage to the core brand itself today, since consumers today are very much used to brands creating extensions.

When discussing successful line extensions, Åberg mentions Porsche as a very good example. Porsche has made a great amount of money on their Porsche Cayenne, however they are now planning to withdraw the Cayenne. This is because Porsche has decided to go back to producing small sports cars so that they can 'reconnect' with what used to be their core values. Even though the Cayenne has been very successful, Porsche has looked at the trend of environmentally friendly cars and perhaps that is why they've decided to go back to making small sports cars, says Åberg. However, Åberg is convinced that this has only helped to strengthen the Porsche brand.

When asked about brand extensions, such as Porsche Design, Åberg still feels that they have done a good job, and thinks that it contributes with showing that Porsche knows design, and is a modern lifestyle brand.

When asked about the different reasons that could drive a brand/line extension, Åberg believes that there could be several reasons behind it, the most important one being to simply make money. The other would be that a brand would want create new positive associations to the brand.

However there are occasions where extensions could damage a brand, such as engaging in too many categories where the link between the brand and the new category is not apparent, and there is no logic behind it. Åberg gives the example of a luxury brand, Gucci, who during one period expanded and licensed the brand too fast and in too many categories, and this damaged the notion of the exclusivity of the brand.

In general however, Åberg is very positive towards brand extensions and line extensions. He believes that the conclusions that the theories have made regarding these subjects are a bit exaggerated, and that consumers have changed over the years. They have gotten used to companies extending their brands. However, there is not a rule that says that a brand has to continuously grow and become bigger. He means that during some periods when, for example consumer trends increase the demand, then it could be logical to expand the brand as well, and if the situation changes then the possibility of recalling the new products could be considered.

"I believe that even in long-term brand building, if you do it correctly, I think that brands could be a bit opportunistic as well. You have to be careful so that the vision isn't focused too much on the long-term, making the brand a bit 'conservative' and therefore risking to lose out on market opportunities and opportunities to make money."

Åberg believes that if you have an honest ambition of delivering a good product that lives up to the brand promise, then there is a lot to gain from that. But of course, if you create line extensions only for the purpose of making money and provide a bad product that doesn't live up to the brand, then there will most likely be very negative consequences.

LÄKEROL

When asked what he feels about the specific example of Läkerol, Åberg says that it might not be the most logical move for a pastille brand to extend into chewing gum, but that what links the two categories could be the good taste. Further, he mentions that the market for chewing gum is very big and there's really only one big brand in it, and that's Extra, therefore there must have been a very good business case for entering the chewing gum market. However, since Extra stands for being 'good for your teeth' the more logical step would be for Extra to enter the pastilles market, as they could create a pastille that would deliver on that brand promise. But whether this move will damage the Läkerol brand in the long-term or not, Åberg means it is very difficult to predict.

Positioning Strategies

SUCCESSFUL POSITIONING

When asked for an example of a strongly positioned brand, Åberg mentions Apple as one of the strongest brands and says that it is difficult to find many brands that compare to their position, where consumers are generally very tolerant toward faulty products, are willing to pay a lot of money for their brands and to wait in queues, etc. He believes that Apple has managed to position their brand very successfully as 'the tools for creative minds', and to feel creative and feel part of the community of creative people has been the driving force for many young, strong consumers. And that's something that few, or perhaps no other IT company has exploited. Åberg believes that this generation

probably looks more up to creative people than smart, talented and entrepreneurial people, and Apple has managed to create some kind of bridge that allows the consumers to get just a little bit closer to that.

REPOSITIONING

In terms of repositioning a brand, Åberg thinks that although a complete repositioning would take several years of commitment and a lot of financial resources, a 'revitalisation' of a brand could perhaps be done quicker where it is not about completely repositioning a brand but to 'revitalise' it to show that the brand is being innovative and responding to the market, but that the core values remain the same. He gives the examples of Audi and Levi's, and whereas Audi has consistently repositioned themselves towards a more luxury car brand the last 15-18 years, Levi's (which was one of the strongest brands in the 1980's) failed to respond to the market and consumer needs and were considered a bit boring. But then they managed to 'revitalise' the brand and started innovating, and have since regained much of what they had lost.

4.4 Consumer Interviews

Läkerol

For all of the consumers interviewed, Läkerol is seen as a pastille. Furthermore, additional comments was made about it being a liquorice-flavoured pastille, something one eats because of the refreshing effect and good, but special, taste and the fact that it is remembered by their slogan "Makes People Talk".

Five out of nine consumers were aware of the fact that Läkerol also has started to make chewing-gums. Moreover, out of all the nine consumers, only one wanted to see Läkerol Chewing-gums under a different name. The other eight felt that the extension between a pastille and a chewing-gum was not that stretched and that the connection in between the two seemed logical and therefore had no problem with Läkerol creating a chewing-gum. Amongst those who liked the pastille of Läkerol, they would try the chewing-gum as they like the flavour of it. As most of the consumers seemed to think that Läkerol was all about the good flavour rather than it being a sour throat-releaser, many could see an

extension into other areas within the category of food and drinks; some of the suggestions were: candy, juice, stronger pastille or cough drops and soft drinks.

Porsche

For most of the consumers interviewed Porsche is described as an exclusive brand, mainly a sporty car, for the upper-class man. Other key words that come to mind are quality, engineering and Germany. Most of the consumers knew about both the line extension of Porsche Cayenne as well as some of the many brand extensions Porsche has made. Furthermore, almost all of the consumers see a link in making a line extension such as Porsche Cayenne as it is made as a sporty, quality car. However, when discussing brand extensions the opinions diverge.

Some of the consumers feel as though entering other categories such as sunglasses, perfume and espresso machines could be acceptable as Porsche is seen as a quality brand and that it is possible to associate these categories with design and quality. Two consumers point out that a brand extension would most likely work for those consumers that is fond of the brand as the brand of Porsche could be seen more as a lifestyle than for example Läkerol, which could be seen more as just a taste. Another comment that is made is that if it were not for the exclusiveness that the brand conveys, an extension would probably never work. One example that is mentioned is if Volvo were to make sunglasses. As sunglasses is seemed to be something that could work as a status-symbol, a pair of Volvo sunglasses would not communicate this feeling as Volvo is mainly seen as a less exclusive car, whereas it in the Porsche-case could work since the brand is about quality and design.

Nevertheless, some consumers point out that they feel as though a brand extension is a bad idea as the connection in between Porsche and for example an espresso machine, is not there and that there seem to be no logic behind making such an extension. Also, it is mentioned that making such a stretch goes a bit too far away from what the brand stands for and makes the brand less exclusive in the long-term.

5. Analysis

Even though brand positioning has been theorised by numerous researchers there seem to be a lack of a general theory on what the overall positioning process looks like. Instead, each of the existing theories seems to focus on a specific part within such a general positioning process and therefore the theories presented in this thesis could work as a framework for developing such a theory. Furthermore, it could be of interest to look upon if, and in that case how, the existing theories are applied in practice in order to develop the general theory guided by practical examples so that a better overview of the process can be gained.

The positioning process

By examining the existing theories the researchers believe that the positioning process could be divided into three parts namely; pre-positioning, positioning and post-positioning (see figure 5.1). As seen in chapter 3: Theory, each theory could be placed into different areas of the positioning process, supporting the previous statement that the existing theoretical focus is being put on specific parts within the positioning process. When the researchers are referring to the different steps according to the figure below, these steps could also be seen accordingly in chapter 3: Theory.

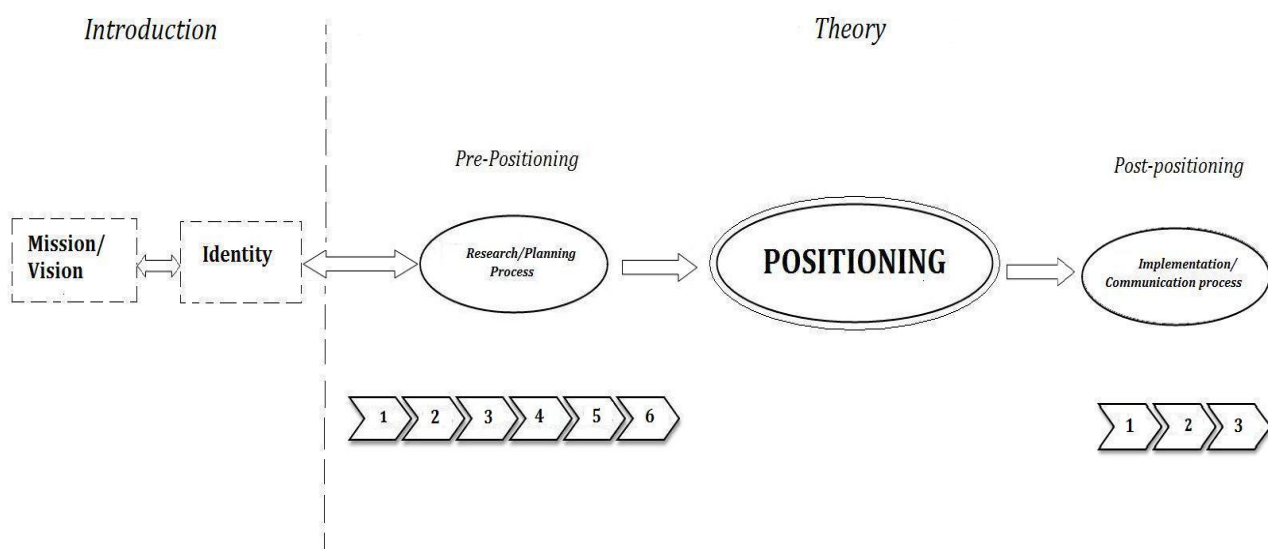


Figure 5.1: The Positioning Process

The Pre-Positioning Process

The pre-positioning is everything that happens prior to when the actual positioning statement is set. This includes research on potential markets and customers as well as competitors and also recognizing the benefits and values of the brand. The pre-positioning process, or *the research and planning process*, could further be developed into six main areas, or steps, as they will be referred to from now on.

STEP 1: WHO ARE WE?

The first step is to figure out what the brand is all about, the “*Who Are We?*” – step (see figure 5.1: step 1 pre-positioning; and chapter 3.1.1). In this step, theories concerning everything that describes the brand could be found, such as theories about naming the brand, shape & colour of the logo and the identity and image of the brand. According to Tjebbes (2010) this first step is a necessity in order to know what to ask the consumers once you have identified them in the next step. Once this is done one can start building upon that platform, and creating the right kind of text, images, name and other elements.

Ries and Ries (1999) argue that the brand name is the most important part when building a brand and that without a strong name, a brand will never succeed. However, Duffy (2010) means that in reality a brand name is important, but that it is not the most important thing. He agrees with Ries & Ries (1999) that it is important also to consider a brand name that can be transferred to other international markets, but maintains however that it is more important to focus on the value of the product and customer needs, as this is what actually makes the brand successful in the long-term; a brand name only magnify the value. A parallel could here be drawn to Kotler (2008) who argue that the strongest brands are the ones built on beliefs and values and it is thus important, as Duffy argues, to focus on value rather than something as superficial as a brand name. Tjebbes (2010) also emphasises the importance of building a brand upon strong values, and mentions that the strongest brands are those that are open and honest and able to emotionally connect with their customers.

Nevertheless, one should keep the brand name in mind as a brand name could be seen as something to distinguish one brand from another in the strong competitive world of today (Ries & Ries, 1999).

STEP 2: STUDYING THE COMPETITION/THE COMPETITIVE ENVIRONMENT

When the first step is completed the next step, *Studying the Competition/the Competitive Environment* (see figure 5.1: 2 pre-positioning; and chapter 3.1.2), come into force. Here, an analysis of the competitors and the competitive environment are made in order to gain knowledge of the existing market. Batra et al. (1996) suggest analysing how competitors have positioned themselves as regards to the relevant attributes as well as to their competitors, and Kapferer (2008) argues that one should identify the possible scenarios that the brand could be positioned in.

Åberg mentions perceptual mapping (below) as one possible tool that can help identify the positions of the competitors in the minds of the consumers. Qualitative studies and focus groups are also commonly used in order to gain a deeper understanding of consumers' perceptions of the competitor brands. Kapferer's (2008) theory "The Standard Positioning Formula" could be used as a guideline when studying the competitive environment.

Following the research regarding the competitive environment, it is important to find the values and attributes that are most important to the prospective customers (Solomon et al., 2006), and thus the consumers should be analysed in order to correctly position the brand as it is perceived in their minds (Batra et al., 1996).

STEP 3: WHAT DO CONSUMERS WANT?

This leads into the next step; *What Do Consumers Want?* (see figure 5.1; 3 pre-positioning; and chapter 3.1.3), where the consumers are being analysed in order to gain knowledge of the target market. The second and the third step go together, however, as they both treat two different main areas, it could seem as a good idea to separate them from each other. Åberg (2010) means that this step is the most important one as it is by examining the consumers and their wants and needs that a brand enables to find a position. Ries and Ries (1999) imply that consumers want simplicity and by narrowing down the focus of the brand, it has a greater chance of being successful. This is further supported by Duffy (2010) who says that a positioning statement should be crystal-

clear, have a well defined-category as well as be an alternative to something, in order to get into, and stay, in the mind of the consumer.

Something that has been widely discussed, both in theory as well as in practice, is whether or not line/brand extensions should be used and the opinions seem to diverge. Once a positioning strategy has been chosen, some theorists argue that extending the brand and using the brand name and its equity to launch new products can damage the strength of the positioning, as well as altering the perceived position in the consumers' mind.

On the one hand, some claim that a line or a brand extension is bad for business as it confuse the consumer with what the brand really is and can in the long-term damage or weaken the brand. Instead of extending the line, one should create a completely new brand. On the other hand, in reality this is not as simple. Duffy (2010) agrees with Ries and Ries (1999) that a line/brand extension might indeed confuse the consumer and in return weaken the brand. This is further supported by some of the consumers interviewed, as they believe that an extension of a brand might indeed be confusing if there is no obvious link in between the brand and the extension. Åberg (2010) also mentions that in order for an extension to be successful and meaningful to consumers, there needs to be a logic behind the extension into a new category, otherwise consumers might have negative associations to the brand and its positioning. Nevertheless, when it comes to extending brands under a new name, Duffy (2010) is of the opinion that in reality this is both time-consuming and expensive, and that this is a key reason as to why a company therefore chooses to put their current brand name on the new product instead.

It is also argued that much has changed since the term positioning was first coined and that this in fact has influenced the concept of line extensions. Even though brand extensions were not often accepted during the seventies due to consumers' general negative attitudes towards line extensions, it has been proven that it can work. Åberg (2010) for instance, does not at all agree with Ries and Ries. He means that the purpose of a brand is to make money and since the consumers of today are used to line/brand extensions, an extension failure would not damage or weaken the core brand greatly. Furthermore, he believes that a logical brand extension could actually help drive more positive associations towards the brand. This is further supported by the consumers

interviewed, as many seem to accept an extension in the case where there exists a logical connection between the brand and the extension.

Porsche is one great example of a brand that has succeeded with both line extensions and brand extensions (Porsche Cayenne as well as their brand extension Porsche Design). Even though Duffy (2010) says he has difficulties understanding what the brand means anymore, he still believes there are differences between line extensions as consumers are more elastic in certain categories than in others. If making a parallel to Woods (2004) statement on the importance of applying the core emotion of the brand into different areas, one could argue that it might well be something more cultural with certain brand categories that makes them more successful. For example, one could argue that the car industry can be seen as somewhat more cultural and that a Porsche-owner might indeed buy something from their Porsche Design line as it says something about who you are as a person. This is the same for Harley Davidson, which is also a brand that has managed to create a more cultural atmosphere around the brand. A person that does not own a Harley Davidson or a Porsche might not be as keen on buying a product from their brand/line extensions as an owner would. This is further supported by the consumers interviewed, as many believe that the Porsche brand is more a “lifestyle”, and that the products around the brand would probably attract mainly people that want to associate themselves with what the Porsche brand stands for. However, they were very specific about there being a difference in between line/brand extensions and line/brand extensions as argued by Duffy (2010). It was stated that in the case of the Porsche brand extensions, the reason to why it should work is the fact that the Porsche brand stands for quality and design and that the areas chosen to extend the brand into (for example, sunglasses and espresso machines) would seem suitable for such a stretch. It therefore should be important to stay true to the brand and try to convey the core benefit into other areas where it would seem suitable, as argued by Woods (2004). The examples mentioned above have in common a strong and consistent brand positioning, which is well communicated even through new products that are not in the same category as the original one.

It could also be discussed whether or not this also applies to every-day products, as the cultural aspect seems much stronger when it comes to high quality/certain goods. Furthermore, when it comes to household and everyday products, Tjebbes (2010)

mentions the power of the distribution channels as one of the main driving forces behind line/brand extensions. He further argues that it is now simply a necessity to have a wide range of line extensions, since there is a big risk of losing shelf space at the retailers and key distribution otherwise. The rise of private brands have also put pressure on manufacturer brands, and according to Tjebbes (2010) this can lead to decreasing product qualities in the long-term, and the fading of brands' clear positions in the market.

Another interesting example that was brought up was that of Läkerol. Throughout the interviews, the opinions on Läkerol extending their line into chewing gums have varied. Duffy (2010) believes that the brand got greedy and should have profited more from making a completely new brand for the chewing gums. Åberg (2010) feels as though the stretch from pastilles to chewing gums are not close enough, and Tjebbes (2010) agrees that the brand did not perhaps act correctly according to brand theories, but that those theories can no longer be applied to today's markets. He further means that the driving force behind this has been simply to increase volume, and since the pastilles market has perhaps been stagnant, the best way to rapidly increase volume would be to extend the brand. The consumers were of another opinion since almost everyone agreed that the extension into chewing-gums seemed logical as there is a possibility to see a connection in between pastilles and chewing-gums and that this stretch therefore seemed more acceptable. As argued by one of the consumers, Läkerol is merely just a taste and that it therefore would seem more logical to enter the field of chewing-gums or candy than if they were making something in a completely different product category.

STEP 4: PERCEPTUAL MAPPING

Fourthly, perceptual mapping is a widely used research and planning tool that can help understanding the market, competition and position of the brand in question as it is perceived by the consumers. It is for example possible to map the competitor brands according to consumers' perceptions (see figure 5.1: 4 pre-positioning; and chapter 3.1.4). If the brands are clustered closely together, the competition is higher and it will thus be more difficult to find a gap; or position (Fill, 2002).

Nevertheless, Åberg (2010) does not believe that it is through perceptual mapping that one finds the actual position. Instead, he see it as a good way to segment the market in

order to find possible target groups and then by using additional criteria, decide on which one to target as this will in return lead to finding an unexploited position. However, as argued by Tjebbes (2010) in today's overly competitive market, there are no unique positions any longer. Revolutionising technologies or other competitive advantages that brands position on can be easily copied and are not as sustainable as for example thirty years ago. Therefore, Tjebbes (2010) believes that it is of utmost importance to position and build the brand upon strong core values and be able to build meaningful relationships with the consumers in order to be successful.

STEP 5: CHOOSING A POSITION

When the gap is found, the next step is to choose a position (see figure 5.1: 5 pre-positioning; and chapter 3.1.5). The theories on how to choose the right position are many, as are the possible positioning strategies, and it is up to the company to choose which strategy is the most proper one for the brand in question.

STEP 6: EVALUATION CRITERIA

Lastly, when the position is chosen, the researchers suggest that an evaluation of the position is done according to certain criteria (see figure 5.1: 6 pre-positioning; and chapter 3.1.6). By doing so, the company will get an overview of the strengths and weaknesses of the chosen position, which could then be valuable for the post-positioning process, or for identifying the need for a different positioning strategy.

The Position

When the pre-positioning process is completed, the company should have a clear positioning statement. As this part of the process is mainly about choosing a positioning statement, this step will not be explained any further.

The Post-Positioning Process

When the positioning statement is set, it is all about maintaining the position and getting the message out by means of different communication tools such as advertising and publicity. This is normally the phase when the company turns to advertising agencies in

order to get help with getting the positioning statement out to the consumer. This post-positioning process, or the *implementation and communication process*, could further be grouped into three parts.

STEP 1: MEDIA PLANNING

The first step could be referred to as Media Planning (see figure 5.1: 1 post-positioning; and chapter 3.2.1). In this step, focus is being put on planning what kind of communication should be used to successfully communicate the position of the brand to the consumers. According to Tjebbes (2010), this step is the one that leaves the most possibilities for being creative with how one decides to communicate to the target audience.

STEP 2: GETTING THE MESSAGE OUT

This is followed by Getting The Message Out (see figure 5.1: 2 post-positioning; and chapter 3.2.2) where the chosen communication tool is implemented. It is evident that traditional media is not as effective and mass-reaching as is used to be, and the evolution and development of new types of media as well as changes in consumer behaviour, means that brands have to be innovative in their media planning process in order to cut through the great amount of advertising that is aimed at consumers today. However, even though innovation is a key word in order to breach the media-clutter, simplicity still seems to be the recipe in order to get into the consumer's mind. Ries and Ries (1999) as well as Duffy (2010) and Tjebbes (2010) mention that the advertising industry is a bit inconsistent in the real purpose that they should have. On one hand there are advertising festivals where creative wonders without any logic behind them get rewarded, and on the other hand consumers are becoming less receptive to the 'tricks of the trade' and simpler and smarter communication must be used in order to get through and ultimately sell the product. A parallel can be drawn here to Trout and Rivkin's (1997) ideas that creativity is overrated, and that the simplest messages are the most powerful.

Social media is specifically mentioned by both Tjebbes (2010) and Duffy (2010) as being a very useful tool that can help brands build meaningful relationships with their

consumers without actually trying to sell any products. Thus, they can be perceived as more open and honest, which can further strengthen the relationship and sense of loyalty among customers. Ries and Ries (1999) means that consumers tend to trust what others say more than what the company says, which supports the previous statements about social media being a useful tool for building a relationships.

STEP 3: MEASURING THE OUTCOME

When this is done the last step is to measure the outcome of the communication in order to achieve the best results in the future (see figure 5.1: 3 post-positioning; and chapter 3.2.3). By continuously measuring the outcome, the brand position can be maintained and problems can easier be detected. This has been confirmed by both the theories studied in this thesis, as well as the interviews conducted.

6. Conclusion

In conclusion, the researchers have come to several key findings throughout this thesis, and these will be described in this final chapter.

After studying the theories and speaking to marketing practitioners, the researchers have identified the first stages of the positioning process, what we have decided to name the *pre-positioning* process, to be the most important one. This is where the building blocks of the brand platform and positioning strategy should be evaluated, and research be made into the market and potential consumers. Furthermore, the pre-positioning process has been identified as being the one where the company owning the brand will maintain much of the control of the brand.

Once a positioning strategy has been chosen, the process which the researchers have named the *post-positioning* process begins. Here it is very important that the company has firmly built the brand platform and a positioning strategy, as the brand will be mostly in the hands of the advertising agencies as their job is to communicate the brand's position to the target market. However, the researchers have found that some companies are not clear with what a positioning strategy is when they hand their brand over to the advertising agencies. Thus, the researchers' recommendation for companies is to work on the pre-positioning process internally before moving on to the post-positioning process.

The marketing practitioners that were interviewed for this thesis agree that the focus of the positioning process should be mainly on the pre-positioning, as this is the stage where there is a possibility to build a brand with great core values and a strong positioning statement, which indeed is the most difficult part. Furthermore, to identify and build upon the core values of the brand seems to be one of the key stones in creating a successful positioning statement.

In terms of positioning pitfalls that the researchers have studied throughout this thesis, one recurring theme in the books and articles studied has concerned line extensions. In theory, this is something that is strongly advised against, however, the researchers have found through the interviews that there does not seem to be a 'right or wrong'. It is something that is widely used today, mainly by companies that wish to leverage the

strength of their brand by launching new products or line extensions. However, as consumer attitudes towards brands have changed, the researchers have found that the theories written about this concept are now indeed outdated and in general no longer valid. As long as there is logic behind the line extension or brand extension, consumers seem to have a general positive attitude towards extensions. Nevertheless, in today's over-communicated world, simplicity seems to be a key word when developing positioning statements as well as communication strategies, in order to best be able to get through to the consumers.

In summary, both the theories studied and the interviews conducted has led to the conclusion that a good positioning strategy is built upon strong brand values and an essence and identity that is maintained and communicated through all times. Unsuccessful positioning strategies are the ones made without consulting the market and identifying the consumer wants and needs, or for example failing to live up to the brand promise. Even though the theories and processes presented in this thesis are meant to function as guidelines for developing a successful positioning strategy, the researchers have found that in practice it is much more complicated than that. Some strategies seem to be easier to follow as guidelines, whereas others have lost their validity due to the changes in the markets as well as consumer attitudes.

Even though this might seem as a long and demanding process, the researchers still believe that by providing the reader with an overview of what the whole process (from pre-positioning to post-positioning) looks like, it could be seen as a useful tool for developing the most appropriate positioning strategy. As many companies seem to forget about what the positioning statement is really for, the researchers hope that by following all steps mentioned (not necessarily in the order proposed) the chance of success will increase and that the need for an eventual modification in the positioning statement will reduce.

6.1 Future Research

As the focus on this thesis is on product brands and how the positioning process is used for those kind of brands, a possible future research could be to examine if the positioning process also would apply on other brands such as corporate brands and service brands.

Furthermore, as the secondary data collected mainly is from Anglo-Saxon authors, and as the primary data is all collected in Sweden, this has led to a more Westernised approach. Another future research topic could therefore be to see if this general theory also could apply in other geographical areas such as China or India that are major emerging countries with a significantly different culture.

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Appendix 1

Transcript of interview with Sean Duffy at the Duffy Agency, 2010-04-26

Discussing the books by Ries and Trout.

Is that how you started out?

Yeah, with positioning, sure, I think everyone did. Ries and Trout, umm, at least when I was in the states. I started a long time ago and back then it was still kind of coming around. I think the big idea if you look at the whole book, the primary idea is, he said: look, it's not about you, it's about the mind of the consumer and even to this day it's still a new idea, I mean that is really a paradigm shift. Someone told me, I don't know if this is how it was here, but someone said that a guy I used to work with who started marketing here in Sweden, I think at Lund, he said that when he was in school and that would've been back in the late seventies or the eighties, they didn't have marketing. It wasn't called marketing it was called distribution and if you just think about that mentality, what does that mean? It means, I make something and my only concern is shipping it out to you, coz you are going to buy it anyhow I don't really care about you or what you think, and I think that book said, wait a minute, it's not about you shipping stuff out to me, it's about my mind and that happens in a society I think when people have choices and maybe in the early nineteen hundreds we didn't have choices, Swedish Match made a match, no one else made one so it was just a matter of getting it to me basically.

Discussing the lack of courses on marketing psychology.

I think what marketers need is, they need the tools to understand and it's discipline actually, to understand how the consumer thinks. But so, you probably have a bunch of questions so...

Actually, just to take up on something you said; you said that you liked the laws that they were writing about but one thing that we all commented on when we read those books were that they seemed very, you know, black and white, this is how it is, for example, line extensions, you should not extend the brand because that will weaken it in the long-term and damage the equity and what not BUT there are so many brands out there doing just that.

Well I think, there are a couple of things, first of all, to write the book you need to be black and white, otherwise no one listens to you, so he was black and white. I would like also to say, I'd like to say, I mean the book was written in the seventies but our brains haven't changed since the seventies so the parts where they're right about are probably still valid today. There are, I think there's other reasons why a line extension can live other than the power of the brand itself and that is a) shelf space in a grocery store and marketing power. If you think of some of the spots we hate the most like those Procter & Gamble spots where the kid runs in and he's got stains on his shirt, if you don't have an idea, you'll need a big media budget to get the idea and then whether or not it's a good idea or a bad idea, it's gonna succeed in the market just by its presence because it's everywhere, and I think, so it's kind of hard to say. Yeah people have done line extensions and still they're making money, yeah you're probably right. I don't know, I mean Mercedes is still, still makes money, there are some people who would still buy it, for me, I'm

really confused over what the brand means anymore; in the States, Mercedes was a very expensive car for basically older people with a lot of money and then they started getting greedy and decided they wanted to do everything and now Porsche is the same way, Porsche was a sports car and now I don't know what it is, it's a station wagon.

What was that American brand, Cadillac was it?

Chevrolet, I think.

Just think of Bodoni next door, Bodoni used to be an old people's diner and now some heavy-metal, whatever so I don't know what that place is anymore, I certainly wouldn't go there listening to music coz it's an old people's breakfast joint but then again I wouldn't eat breakfast there either coz all night long there are people throwing up all over the sidewalk, it's like, it's the worst of both worlds, it's that idea of, there's an old s.. in that..? (4.51) that this thing is a dessert topping and a floor polish, use it for both, you know, I think there's some, we as human beings we, a brand does get diluted to a certain point and it is weakened by that I think. Someone is always honest and then they start, oh, you catch them in a bunch of lies and just on a personal basis, wait a minute, that guy was Mister Honesty and now look at him, he is lying all the time. It can help and I believe trends like that long-term do, if nothing else I think it makes the brand more vulnerable to competition. For instance, when Mercedes started to water itself or Porsche started to water itself, if at that same time another killer sports-car that came in from Germany, that was, they would've been more vulnerable to an attack, and I think a lot of branding really is defensive as well as offensive, I mean it's making sure you build a barrier of entry that's going to be hard for your competitors to bust through so, yeah coz some of these examples I mean they are products that we all buy all the time, I mean, some of the beer example he (Ries and Trout) gives.

They're still successful to some extent right?

S: Yeah, it might also, I believe the consumer has an elasticity to his brand in certain categories; beer – it's not such a stretch for me that you would make a beer and then a lower-calorie beer, that seems pretty normal, everyone does it, we are all used to that. I think in the seventies when they wrote that book, that was like, you might as well have been making wine, that was like, that was so different, and this, we can't, light beer is like weird, um, that has something to do with it too but it's all happening in here (the mind) it's not happening with the...

But you said that it's more vulnerable, but would you still recommend it or have you anytime recommended it to any of your clients?

That they expand the same brand?

yeah

Yeeeeeah, but I would say with that in mind, what we, we're more inclined (6.52), if there is a big enough breakaway, except, it's just all money, they should start another brand but it's money and it's time and companies don't have either. If, to make that break, well, it's money and it's time and the other thing is the person who's making the decision, it's only going to be in that position for three years. Marketing managers they are, it's not their money, they don't care, they're not gonna ever see, they're gonna take a risk to do that but there's no upside for them, so, it's sad, truth but, you know, if the marketing person was more visible in his activities in the

company and more tiding ? (7.39) with long term planning with the CEO, you would probably see stuff like that happening more, but as it is now, they're just... the next three months (7.48)but the most you'll get them to look at your head and these kind of, starting up a new brand is not gonna happen in a year so...

So, in a perfect world it would look pretty much different then?

I mean, I think so, you just, I don't know if there's a scientific way to do it but I think there's a certain degree to which you can stretch a brand before it goes out of its comfort zone for us, as a consumer, but I can believe that you're a business guy during the day and that you're this wild party guy on Friday night, I can, so you're really serious now and then you're drunk, I can still get that, you're still the same person, but on Sunday when I see you dressed in a dress and you walk in this other thing and the next day I see you in a clown outfit running down the street chasing, I don't know what, then i have a really hard time understanding who you are anymore and I think that's basically, it's being sensitive to that elasticity and how far you can be a different thing before you're not, I mean, Porsche is a good example, they could've come up with a four-seater sports-car, I could've get my head around that, or go for a one-seater, coz I can definitely understand that coz that is heading in the direction I expect them to go but coming up with a station wagon or something like that, it starts to, then I wonder what you stand for, ok you're, then you're start to become not the best sports-car in the world, it's like having a really good engineered car and then you're getting into BMW and Mercedes territory and it's a shame. You could've had everything of this little niche but again; numbers. Maybe it's better to have, you know, a little piece of this bigger pie than it is to have everything inside the sports-car category.

Which is what Ries and Trout say that it is better to narrow the focus than to.. coz that will make you a stronger brand in the long-term.

If you look on the Internet now, there's a great little, it's almost like a little laboratory of what's happening, if you find people who are marketing, or at least I see people who are marketing to marketers and the more finely niched they are, the more interesting they are. There is one woman on the west coast, her name is um, Lee Yong, and she is all about branding, you should check out her blog, what happened with branding was, everyone was talking about branding up until, five years ago and our consulting was almost all on brand consulting and all of a sudden it's off everyone's agenda, everyone's talking about social media now and no one is talking about branding anymore so now all our consulting is on social media. The fact is that if you have a pack of brands straightened down ? (10.22), and most companies haven't social media is going to be the worst thing for you because it's gonna magnify the fact that no one in your company knows what you're standing for. But anyhow, with her and with a couple of other guys, the ones who were very specific about what they're talking to ? (10.39) you'll find that you're right on them, the general.. (receptionist enters) it's not so interesting, what she lacks as I'm sure no one except for branding people follow her blog, the same with the other guys, if you're not into it you're not following it but then maybe that's a good thing.

You're working very internationally as well, would you see any difference culture-wise where line extensions would work more or could you say it's, does it matter where you are in the world?

I think it's human nature, yeah I think it's really psychology, but yeah, I mean in that case, if you took beer versus light beer, if you're in a market where the concept of light beer is completely

foreign and in action ? (11.20) people are maybe really against it for some reason, it was that way in the States but they beat us into submission, when the light beer first came out a lot of people protested saying: what is this crap?; Many American beers was like water to start with and this was even more watery than American beer so yeah I guess that, if your perceptions are different enough than in a different market then you could probably... (11.46).

So going back to what you said that a lot of companies come to you and they don't kind of have a straight branding strategy ready, how does it look then when you're, the process of creating a campaign, I mean how much of the branding strategy is actually in your hands of for example the brand positioning? Do they normally come to you with a clear; this is the brand and what it's, you know this is the position it's suppose to have in the market?

Yeah, I'd say there are very few companies who have actually thought that through in a real way, what they've done is that they've, they often have an idea of where they are going with it but it's rare that you get some, I was in a huge company not so long ago with the market manager and walked in and said ok, where is the branding strategy? And she goes, they want help with their... (12.40) taking their brand and then doing this global campaign and reposition the brand, so she said she'd send me some stuff .. (12.48) and I read it through and when I met with her I said hey, the only I was missing is that you said you were going to send me the positioning and I didn't get it and she goes; no no no, it's the document I sent, and I said what? It was four pages, the positioning was four pages, it was everything, it was a list of everything the product, it was this, it was that and I said, what's, you need help with this then? And she said, what do you mean we need help with it, we have been working with it for months! And then I thought I'd have a discussion about positioning and to her that was a positioning statement it was a long list of every single product attribute there was and then I asked her, I said well, I'm sorry but I disagree because I mean, everything, there's no way that this could be a positioning statement, then she told me Jack Trout wrote it, she lied, but she was in a corner and she goes like; Jack Trout, I've been working with Jack Trout and you suppose you know more about positioning than him? And I was like, no I don't but he didn't write this, I'm sure he didn't. He does work with them, it's a huge company and he has consultancy and he has done work with them but he didn't make this statement so, but that's very typical I mean, marketing is a really weird "profession". Profession is defined by having a common vocabulary, in marketing we don't have a common vocabulary so we're not a profession actually we're trade or craft or something else but you can, go to, get a bunch of people on the same marketing department and I do this all the time when I give talks to companies like this, I'll say who works with branding, who works with marketing, who works with positioning things (14.21), ok, take those three things and write down the definition for what they are on a piece of paper and then hand them up and there's never a correlation in the same department between anyone understanding what branding, positioning or marketing is, and that's what they do all day long and so I'll always ask them; if you guys can't even agree on what these things are, what is the chance that you're doing it very well? And if they're not within the same company, they're broader, so, I think, it's not for lack of trying, I mean, people know what positioning is, they know they should have it, there's a little piece of paper somewhere in the office where they can fill it out but it's rare that it's a really well-thought through statement and very singular like.... (15.01).

So then, what do you do with that, do you..?

That is when we are coming in and saying, we should help you with the positioning, hold on a second...

Sean goes out to get his laptop.

The other thing is that a lot of branding work.. Branding kind of came... (16.10) and all of a sudden, the people who should have been at our ad agencies? (16.16) but ad agencies have horrible history of not kind of picking up on things in time, who picked up on it was graphic designers for the most part, a lot of graphic designers coz they were used to being payed by the hour, came in started doing branding work. Branding became very logo-oriented and very image-oriented and the actual hard lifting isn't the making a killer logo or a funny tagline, it's actually getting into the head of the consumer, figuring out which positioning isn't taken yet and occupying it basically, the way we're, I usually describe to clients is that I say, imagine that you're driving down the street in a big city and there are big buildings but there are some vacant lots, that's what you are looking for, you're looking for, because if someone already has cars, I've already got my sports-car category pretty much full of fast sports-cars, it's gonna be hard to kind of tearing down that building and build a new one, it's a lot better to find a vacant lot, there's probably one green sports-cars, let's say it's probably not been built on yet. You better identify that and kind of occupy it and then of course the other thing Trout? (17.18) talks about is category, are you a sports-car, are you a green car or are you... While we are talking I'm just trying to find some...

If you were to define positioning, what would you say positioning is?

Well, it's the, I think it's the vacant lot inside the customer's head that you wanna build on, or maybe it's not vacant and you want this place, that's a custom? (17.51) way to do it, yeah I think that's pretty much... The one key thing with positioning that a lot of people forget though, when I say position to you, like ... ? (18.03), it's in terms of, in relation to what and a lot of t..? people don't ask in relation to what, they'll come in and say: We are the honest brand and I say, ok, and there's a couple of ac..? test, is there an alternative to what you are saying, could you be dishonest brand and still have customers? No, then basically you're saying that you're not taking stand on anything, it's like saying, um, I'm a person with blood in my veins, ok oppose to what, you know? So you can, that's, when you look at a positioning statement, the first thing I do is to ask if there's an opposite, if there isn't an alternative to it, it isn't a positioning statement, it's just not there, the second thing I think with positioning is that you got to be really crystal clear on who it is that you are positioning yourself against and of course the category has to be well-defined. But to say that you're, I mean, the positioning should actually be in relation to, the whole thing should be in relation to what the other options are, consumers have is actually what you should say. Because if you just come up with some, a lot of time the statements we get are really, pity little things, it sounds like headlines or something, inside the company, I remember we gave our positioning statement to a company in the States, one of the guys who, like the number two guy in the company, no marketing background, engineering kind of guy, first was really upset, "you got our positioning statement? It doesn't even rhyme!" and he walks up the door and I was like: it's not suppose to rhyme, it's not a headline! It's a strategy document, it's a strategy statement and so, but again, he thought that positioning statement is actually like a jingle or a tag-line.

Has your way of interpret positioning been changing through the times, like some major, when you've been working with something like, ok, this has changed my mind towards this phenomenon, in some way, one way or another, because I mean, obviously, you don't think it mean, you don't use Ries and Trout's definition of it.

How do they define it? It's been twenty years since I've read the book.

I mean the main difference, you don't say exactly the same way so I mean, you must, something in your life must have made you think about positioning in your way?

Yeah, the good thing about those guys is that they were working in ad agencies when they came up with this stuff and so they kind of knew how it works in the ad world. I think the only thing that's changed, I can't think of anything in the book that I really strongly disagree with, with the .. (20.47) that I haven't read the book since I started in advertising or maybe a couple of times and I've read the other ones more, but, I think the one thing, you get a deeper understanding of why it is the way it is though, and that sometimes it's the, it's not as simple, they make it seem in the book and they have to, to teach us, if they didn't do it that way, none of us would understand it. They made it, they've kind of dampened? (21.11) down a bit to get into our heads but when you see for instance, the line extension thing, you know, it doesn't mean you're not going to make money on it and that's all (21.19), it's not a beautiful way to do it and it's not elegant and it could be done better and in the long-term they make more money that way but I think the experience part in seeing (21.28) why it works the way it does but the general core principal, I don't... I just think that we are all getting a better understanding of it, the whole market, and it's still for business a new idea even though it's forty years old or thirty years old.

How would you explain it to your co-workers, like for example if they're suppose to create a campaign or something, do you just say, this is the positioning that you need to take into consideration when you're working with this or..?

Yeah, the positioning is figured out, I mean the brand work should be done before they come and ask that we do a campaign for them, sometimes is not though, so...

And then you help them with it?

Yeah, but with the, we have something called a creative brief. The creative brief is written under the assumption that there's already a brand strategy in place, and that the position will very well... (22.28) and so anyone here, if it's an ongoing client, then we all know what that is because we've got through that with everything? (22.33), otherwise we attach it with the brief just like a kind of reminder that this is where we're going, and that dictates tone of manner, it dictates what the values are, what the main residue ? (22.44) is, all that stuff.

Because one thing that Ries and Trout kept saying in their books also was that campaigns and advertising shouldn't really be, you know, that extremely creative so that it kind of goes away from what the positioning is all about. They are actually saying:

" Don't be cute. Tell it like it is. What's most painful is to see a company go through the strategic process and come up with a simple positioning statement, then turn it over to the creative folks and watch them get cute with it. Powerful ideas tend to tell it like it is. They're straight, not cute."

Exactly. Absolutely.

But to me that is really funny because advertising agencies are suppose to, you know, they get awards for being creative and...

They get awards but that's exactly the problem. They get awards for being really creative, they don't awards for selling things, they don't get awards for being on brief, they don't get awards for helping clients do their positioning, next, they get awards for that (creativity). There's a movie called umm, it's a Tom Hanks movie, I can find it if you want, but anyhow, there's a great scene in that movie; I saw it right when I was starting in advertising. Tom Hanks is a copywriter at an ad agency and he's giving a bunch of students a tour of the agency and comes up to his desk and he goes; look at this desk, this is probably one of the most amazing desks you'll see in this whole agency and they go why, and he; well look around and so they are looking in the drawers trying to find what so amazing with the desk and he goes; I'll tell you what's so amazing about it: in none of those drawers will you find a draft of my latest screenplay, the novel I'm working on, my poetry, my paintings, my orals ? (24.30) because I put that aside and I'm doing something else now, instead of writing what's in my heart and getting that out to the world, I'm writing what's basically in the brand soul and getting that out. Your (24.44) creatives to do that, most of them don't. What they do is, this is just human nature but they are not disciplined like that and there's a part of that coming back to the same thing, our profession isn't very disciplined, it has always been rock n' roll and hey, people come in for the wrong reasons. A lot of people get involved in advertising because it looks like really sexy in the outside, like what a pony looks to a young person. I'm gonna buy a pony and your parents are trying to tell you; yeah, but you gotta take care of it, you gotta shovel the crap out of the stable everyday but they don't see any of that, all they see is the shiny little pony and they wanna have it. Same thing when people come in here except they'll never actually get into the stable just like the kid won't, the parents are actually getting rid of the horse. The real work, there's real work that happens in an ad agency and I don't think the industry has been disciplined enough to ensure that it happens, because in real ? (25.36) makes money if it happens in the old days. I think with the media landscape shifting it's gonna be a different story. In, these are rough numbers, 1975 you could reach, I think it was 80 % of American women with one spot b.. (25.53) once on a .. (25.54) network in the States. It's not gonna happen again, ever. In those days, we could screw around and just entertain you for a while, put a logo at the end and everything was ok, but I think those days are gone and so this stuff is not gonna be going on for much longer. I wrote a post, if you, there's a post in my blog from what I learnt in Cannes (??) last year where I really kind of went in to this thing of what is, last year a weird thing happened, a bunch of, Cannes is one of the biggest awards in the .., (26.23) or probably one of the two biggest ad awards. At the awards these, a couple of campaigns, Obama's campaign won the highest award and a couple of other campaigns probably, the best job in the world (referring to Australia's campaign) won, this show of the class, this .. (26.38) car. All those won and everyone, a lot of these people at agencies creative? (26.44) were furious; where's the funny headline? Where's the arresting visual? There was no one. It was a brilliant idea that sold a lot of stuff or got a lot of things done. I think that's where things are going and the reason why Jack Trout does is, remember this thing I showed in class that was called "Dogfish"? Perfect example, there is actually, Volkswagen, they are not stupid, they've actually come up with a position somewhere, you'll be damned if you can find it in that spot though, because there's a guy, he has had that idea in his head for probably twenty years, or ten

years, dying to find someone to pay for it to film it and that's what happens when you put stuff with ad agencies.

Coz you see that quite often actually, ads that are just completely random and you think how did that just have anything to do with brand?

Because the people that are out there, the folks that are out there, the minute you talk to most creative teams they'll say; you know guys, we gotta help the client and we gotta pay a tuition for the brief and they're ooh, you're selling out! Oh really? So helping the client is basically selling out? And last year when this came up, when those campaigns won, they cried around the world all these people, you know, what is this, the FE-awards? ... (27.54) ..have awards for the most effective advertising but not the most.. as if these stuff, the idea of effectiveness have nothing to do with what we do at an ad agency, it's really self-serving.

Could you give a good example of what brand or what company do you think have a really really smart positioning strategy, I mean obviously some brands are really big but...

I think Nike is the best. I mean, I think Nike is, from my exposure of brands, it's the best managed brand in the world. They knew what they stood for, coz we worked with them a little bit when I was in San Fransisco and just to go to their headquarters and meet with them, they all knew exactly what the brand stood for, I mean, really to its core and they lived it. This was before everyone was talking about living the brand, they actually did live it. And if you look at everything they do, the good thing about Nike is, a lot of people think brand is repetition, the reason why all of us have different coloured business cards here and the reason is to broach the topic with the client, brand loyalty isn't about reputation, it's not like saying; here it is and run this ad a thousand times till you get so sick of it; Nike, they have campaigns running all over the place, they are all different, why can they do it? Because at the heart of them, they're all exactly the same. Exactly. They were running Michael Jordan, they were running all these other things, all at once, and in relation to when you are reading all these books, they are breaking the rules, they are doing all these things at once but they're not. Their brand is so well-known that everyone of the ads, you'll be hard... surprised? (29.23) to find communication from Nike that doesn't leave you with the same sentiment that...

Could you give a good example of one of the giants that actually are doing something really bad that you see..?

I mean here in Sweden; Saab. I think, I don' think it's a very big secret now that they've crumbled. Their brand, what's their position, you know, so when you grew up here, you should have a brand ? (29.51), what is their position? I mean for the automobiles.

Don't know.

You know what they have? They have brand pillows and I believe there's six of them. That's why you don't know what it is. They won't, they're horrible and the discussions that we had with them, I wasn't on the strategy for that, I only did the campaigns, I was given the strategy and said execute this BUT you didn't have to be Einstein to figure out that, I mean, if you've read that book, you'd realize that their brand strategy was doomed for failure and I was really happy when I read, not happy that they were failing but that I read an analyst who picked up on it and said that they don't have a brand, they never have. They've never known what they are and

they've never had the courage actually to stand for any one thing, they're everything to everybody and that's, it's really...

But if you were their brand manager boss for a year and you got, well, not unlimited money but a lot and lot of money...

It wouldn't take money, it would just take brain power. I would've identified, the thing is, based on our own little research, we did get them (? 31.09) a proposal from (?) this company of what they should do at that time but they weren't buying it because they had spent so much time and money into, it was a brand strategy that was basically meant to make everyone happy and each of those pillows were basically borrowed from another car manufacturer so they looked at what everyone else was buying and said well, I want some of that, some of that, some of that, some of this, some of this, that's what we are, we're all those things, we are the best of both worlds, it's just, it's easy, what they should've been, they should've looked, actually gone out, not talked to themselves and not looked at the ad campaigns of other people, they should've actually gone and talked to the consumers who are actually buying those cars, New England in America for some reason is a place where a lot of people buy Saabs and they buy for a really, it's where I am from, look at the research, but you know that they buy it, you're thirty something years-old, you don't want to be caught ..? (32.02) being seen driven a Mercedes coz that's for old people. BMW that's for basically eighties kind of young, rich guy trying to show that he is, and the reason that BMW became this popular is the same thing, people didn't want to be seen in a Mercedes. Saab has always had that kind of left-handed kind of thing, it's for people who want to be a little bit more individualistic and don't want to be pegged as a yuppie or an old guy or this or that or even a guy driving a Porsche. It was always a little bit corky like that, they had an excellent story; the corky story, it was really, they, I mean the guys who design the car, I think there are six or eight of them, none of them had a driver's license, none of them had ever driven a car before, they were all pilots, coz they looked up ?(32.48) in God knows where, they had bicycles and airplanes, that was all they had and then the first Saab that ever tried to put a test rack (?32.55), they actually lifted it off the ground coz it .. (32.59) just like an airplane. That whole thing, that "we kind of come from a different place, we have a different orientation of the world and a different way of looking at things" would've served them really really well and not to say that, all right, that would've been the positioning statement. They should always have sagging what everyone else were digging but they didn't, they actually followed Audi way too closely and started anything they did.

So the general thing when you're, if you have a bad brand strategy is that you have too many core words or...

You stand for too much.

Yeah, you don't stand for anything and it's the exact opposite to what he (Trout) says, Trout wrote that later book, Focus, or maybe it was Ries I can't remember but I mean, it was, it was the belief that I could take the best of everyone else and create some unique.. But I would say that it wasn't enough appreciation for differentiation, you know, you're not going to be different because you still the basic thunder from everyone else, you got to be one ..(34.00) and I think that's what they are talking about in the book. You can't be known for eight things.

But do you think that, that's the major major difference in between two Swedish brands like Volvo and Saab, or well they are not anymore but I mean, let's say Saab had that core

value and worked for that, would they be where, well Volvo is not good anymore anyway but you know what I'm saying, they used to be better at least.

Yeah, but Volvo has a really strong brand, people know exactly what it stands for and again, it's really in, for my sphere of reference in the States, that's a safe car. Now think of all the advantages, you're, you know people are concerned with their image in front of other people and you know cars is one of the biggest symbols of who you are and what you have achieved in your life and where your priorities are. So, I'm living in this suburbia neighbourhood and I just had kids and I do have that little sports car but it doesn't look that cool putting the kids in there, what are people going to think. Hmm, what shows my priorities? Aah, the safest car in the world, that's also a luxury import, it means I have money and my priorities are dead on the family. I mean, that is like the best badge you can wear in suburbia. I think what happened with Volvo, I doubt they started out, I mean statistically, Saab is a safer car than Volvo because the insurance records in Sweden are really really well done and we had that information and sure enough some person point that, yeeah we go after them for that! What are you crazy? You know, first of all, with which kind of budget? And second of all, you know, we are going to convince the world that we are safer than a Volvo? I mean Volvo, everything worked in their favour, the car looked like a tank, it was huge and ugly and big, so all the kind of stuff went together to say that it has to be safe then I guess but I think with them, I don't really think they said that "we are going to make the world's safest car" I doubt that. I think a lot of positioning winds up being like that, it's more how you're reacting to your, it's taking one opportunity in the market, you're probably going to start out with the positioning that I would say is I bought this... (35.58) with a new a new product in the market, like that car, I think at one point key consumers started to put it together themselves, they said; it's really big and ugly and so it seems like a safe car, it seems like a really safe, and they probably had some, like one or two seatbelts and no one had had that before but I think they (Volvo) were smart enough to listen to it, to hear it and to say, ok we are the safest car in the world? We are the safest car in the world! Focus everything on safety now.

But don't you that most kind of old brands are, have been dealing the same way, like they didn't have any strategy a hundred years ago but they kind of...?

Yeah, you are falling in to one, you notice that people respond to this, I mean, we all do this.

I mean, I don't know how many years Nike has been around, I'm not sure but...

Well, I don't know, I think they started in the early seventies, I worked with them in the late eighties. But again, from the start I mean there's no, if you look at the numbers in the company, that's the power of branding, they, their market cap, how much it's worth is like twice that of any other company within that category, they dominate the category globally and we gave that example of Nike in class and it was not so much that did that website make that company make all these profits, the brand mindset would come up with that website to start with and see that it's worthwhile investing in is, as well as all the other things that they do, and that's what makes them a really great brand. Part of that is probably that the guy who started it still is in the driver seat just like Ingvar Kamprad is still behind the seat at IKEA so that helps a lot.

What do you think is gonna happen when those big guys are disappearing from the field in one way or another?

The brands will slowly deteriorate over time, I mean the chances that they'll be going otherwise are slim, it's, there are so few...

You mean like a brand like, sorry, but like Apple?

If Steve Jobs dies, they all... You saw what happened when he "died" last time, they all, John .. (38.08) was a great marketer, supposedly on top of his game, Pepsi, comes in or, I think he was going to go to Pepsi or working there before, but he was top marketer and drove the brand right into the ground with the best of intentions and a lot of smarts, I mean, Steve Jobs has everything against him but he is a genius so he can do it and the same thing I mean up at the, if you look at Nike, I don't know, they got so much momentum. The thing is that we would probably not notice it in our lives, if he retired ten years from now, Nike, maybe there's so much momentum behind that brand that it would take longer for it to start to water away, they're probably happy so... It's not a scientific thing it's just an observation. If you look at strong brands, a lot of times, McDonalds.. (39.06), there's usually some strong personality, someone with a really clear vision of what they're doing behind it and that kind of vision gets translated through that.

Is that what a strong brand positioning is to you, like having a clear vision and then living it or...? And it could be anything as long as it is relating to something else that is already out there or?

Yeah, I'd say, I think a strong vision is just to, a good vision could be written if you have a good brand to start with, I mean mission/vision goes, one of the things we do and Ill show you...

We started out doing this (...), brands that go international, that's basically our focus. So, we were doing this, what happened is that people would come to us with brands that weren't ready, there was no, SAS was the first international thing we did, they had this some ideas that worked really well here in Sweden that they wanted to run in the States and a) it didn't make sense but b) they really reinforced the reasons why I wouldn't get on that airplane to start with. It's like, they were saying; look at how different we are and I don't, would you wanna fly with "Ubakastan Airlines", they serve you know, goat testicles or something on the flight, no, that's exactly why you don't wanna go with them and they thought that by flexing those "look at how different we are" muscles .. it would work. So what we do is that we have to back up to here and the consulting we are working with, basically working with the brand, today it's a lot more social media and stuff but getting the brand ready to go and then actually go on doing it.

Just want to go back one step, because you said that again, some of these companies have one really important person but let me ask you this question: Do you think IKEA is a strong brand?

Yeah

But you also said that, Ingvar Kamprad is gonna die, he is pretty old right now so and you think that's going to be really really bad for the company but is it then really a strong brand or is it Ingvar Kamprad that is the strong brand?

Yeah, good point, it's a great point, it probably is. I mean first of all, there's a really good article, Ill see if I can find it for you, it calls; what is.. it was written in Business Week so, "What exactly is a brand?" I loved it because if you listen to these brand consultants, they are so full of crap, they are all, oh brand is the soul, is this it's that. A brand is simply a mark that is put on commodity to

help you identify it from other things. What gives that thing meaning, it can't be synthetic I mean the real things are organic, if you look at like, what's that the, cosmetic shop from the women in London, she is at.. Body Shop yeah. I mean that's a woman with passion and some drive, it's hard to keep anything on course. The only thing that keep something i believe, like a brand is some sort of passionate drive by some person. What happens after that is that when that person dies, it's just money to the other people, they don't care, you know, I just want to make my paycheck and retire and you can see that, it is rare that you'll find the successor to carry the passion even if it gets watered down a little bit because they don't fully get it..

Not even if you have it run within the family, for example Ingvar Kamprad he has all his sons and maybe they are the ones that are taking over..?

I don't think his sons are going to take over. When we were working there it was pretty clear that they are not going to inherit this thing coz they're his sons and I don't think they are lined up to, I think it's lined up to be some other people from what I've heard.

But it's hard to, he is a very, if not eccentric, a very special person, so I doubt the guys that take it over will have the same thing. I mean, that's a brand that does a lot of things wrong when it goes in, it's just that it survives because the basic business concept is brilliant. I mean, we didn't have another option in the States, it was either, and I mean furniture was expensive and the whole happening of buying it was that we bought it and you pass it down for 40-50 and it lasts actually. He came up with another idea that actually furniture could be semi-disposable but they launched in Toronto with that little ... wrench (43.53) the thing you put your furniture together with; that was the symbol for the lowest quality you could imagine in the States and he wasn't really looking at the market, he kind of just went in and then they got positioned at a harbour-way (? 44.07). They wind up being positioned as the company for college kids to buy furniture from, not where they wanted to be and it has cost them a lot of money. They're kind of stubborn about things but the basic core idea, that brand doesn't look to be (?44.22) brand managed at all or because of smart marketing, I think it survives because his ideas are brilliant and he's got that infrastructure where he can actually keep the prices at a reasonable thing because he's been so brilliant about how he sor.. his staff (44.34) and I mean that whole thing is just really a business..

But I don't know coz you said that Nike probably have the best strategy in the world you say. Let's say they keep on having a really really good strategy 30-40 years from now or 20 years maybe, let's say their biggest competitors are Adidas, what do Adidas have to do in order to actually surpass them?

That wouldn't be easy, but it could be done, I mean I would just be, or I mean I don't even know what Adidas stands for, I like some of their TV, some of their TV spots and some of their print ads and yeah they kind of have a nice image, but I don't know what makes them different than Nike at all, I just know that they're kind of..

I mean, I don't think people do really.

No, I mean to me it's really kind of the same.

I mean Nike is ... competition (45.27) in achieving what's inside of.. (45.34) full potential..

Yeah but it's pretty similar to what Adidas is; nothing is impossible so you can really..

Puma, I think probably took a better.. I think Puma's more like street smart fashion isn't it? But you have to probably go on to another side of.. (45.53). There's a company in New .. (45.55) that started to say that they're in to walking shoes, they noticed that walking was a huge thing in the States so we are going to make the best, and that might be it, basically to be known for that and sell sneakers on the side.

Do you think Nike would be the same today if it weren't for Michael Jordan?

Yeah, sure they would. Coz there'll always be another guy, they had, you know there's a guy named Bo in the States, I can't remember what his last name was, he played professional football, baseball one other one, hockey? No, no hockey was what he didn't do. Baseball, basketball and football which is, I mean three sports that is some kind of super athlete and it was, I just remember there was a really, they had a lot of powerful advertising with him too because for a few years he was really strong and then there was one "Bo doesn't do hockey" and all of a sudden a hockey puck slaps him in the face because Bo doesn't do hockey but I think yeah, there has always been someone. Michael Jordan didn't make that brand at all, I mean, they knew the brand, they just lined up with the right people and the advertising of course and there's I think that's a good thing. That I think is a case study in a beautiful relation between the client and the agency. They used the (?? The agency they work with 47.07) for a long time, they helped develop the brands and DNAs inside that agency so there you don't have the problem with someone getting cute with this and say, hey let's just do this, that's so boring, let's do some cool stuff, yeah that'll be much more... So they've kind of taken a journey together and I think more than Michael Jordan I think ..Kennedy ?. I doubt they would've been so big without Winds&Kennedy?? And specifically with the founders of that company who worked really closely in the relationship that they had. I think that, it's really, we all know of passionate brands, some little guy in a restaurant somewhere and he is really into it coz they are all nice making sure everyone's happy and the world would never know coz he didn't have an ad agency to help him bring it out to the world so this passionate brand thing, it is just not for Nike and stuff, it's all around the place, it's just, if you pair up with an agency and starts...

But again, Adidas, do you think they have to take another...

Well, since none of us know what the position is and since none of us know the difference about them I'd say definitely yes.

But how come they're so big then if, since we obviously don't know that much?

Well, I mean, would you ever buy a pair of Adidas? I wouldn't. Put it this way, I wouldn't even know, I buy Nikes for a couple of reasons; I know they're for running shoes scientifically they put some thought into that, the sponginess and the stuff to, and that stuff, and a little bit because of the Nike+ website and stuff . Adidas, I don't know. I certainly don't wanna go run with a shoe that was made to look cool and it's going to ruin my ankles and knees.

For me they're more like you said with Puma, like street smart, like casual not exactly running shoes, I don't even know if they do those kind of..

If you take the category...

Before every world cup of soccer they have all the Nike commercials and the Adidas commercials and some of the players are for Adidas like Beckham and...

That's probably why they are selling. I mean, there will always be three brands dominating the market. I think that has a lot to do, I think Nike created this category, I remember in high school when their sneaker first came out, there was nothing like it, it was not even anything close to like it, it was like from Mars or something and it was so light, it was nothing to it, you could bend the tip up to the end of it, it was fantastic. That has a lot to do with success, they basically, before that it was Converse, and that was basically as close to a sneaker that we had. They changed all that so, in having set that category in motion, there's going to be two others.

I mean, the reason perhaps why they are number one is actually, they came up with it first, like Ries and Trout say.

Adidas, yeah they have some case to work on, I mean it's a tough spot. But only limited by imagination, I mean, that's where creativity comes in in the strategy. There is a way for them to do it, there always is or at least start eat of the market share a little bit but I don't know what that would be.

Cool. Going back to this that you were showing us, are there any specific theories or guidelines that you work with when you for example create a brand positioning strategy for a client or do you have your own set of ...?

Yeah, we have our own criteria, it's not a secret, but it's our own methodology for doing it.

And it's adopted from different..?

Yeah, it's basically based on umm...

You know it's like these, Kapferer has these steps, you know, the standard positioning formula, the for, who is it for, the frame of reference and the subjective category, the promise and the consumer benefit that it gives and then the reason to believe, for example. So you have your own kind of thing?

Those things are all nice, but getting to those things, really difficult. Especially when we're saying we are going to sell these things in Africa, please fill in those blanks for us, jeez ok, it's more like a guess.

And what about things like, because what they talk a lot about in the books is, you know, the importance of colours and symbols and names and things like that, do you also think of all of these things when you work with..?

Yeah, they are definitely important but the most important is, at the heart of any brand strategy and this is often overlooked, advertising needs to be about we are gonna take this thing; I'm a pen salesman, this pen is already made, nothing I can do with it, so what do I have to do? I have to convince you right? That means that I actually have to make you fit the pen and a lot of people are still going, nowadays we don't have to do that, that's sales, marketing is the opposite, it's actually making the pen fit you and that means understand you to start with. And I think with the, a lot of time where this all goes off in track, is people approach the branding as if it is the exercise of convincing you. It all starts at value and then understanding what you need so that's what we start with.

Coz you also work with a lot of brands internationally so I mean obviously the companies themselves must be thinking of these things but sometimes you've read about the examples where they don't and they launch a brand that has a certain kind of shape or a symbol that means something really not good on the markets they're suppose to...

They even talks about losers-name which I think is pretty funny.

They talk about the importance of names and how you shouldn't come up with this really random names that maybe sound cool or look cool but when you actually try to pronounce them in different markets then it just won't work because of the...

I don't, that's like really important but it's kind of the last thing, it's almost like saying that if you're going to make a movie that's gonna win an academy award, the place you start with is the script, I wouldn't worry so much about if the hair was combed the right way or if the lighting was exactly right. Those are important but way too many people are looking at the colour, the logo, the tagline and forgetting that they don't generate value, they only magnify it, they only give us a window, they only help us see the value, the value has to be there though.

But don't you think that it all goes into the whole positioning and the identity of the brand so that it can....

The identity of the brand though, it's really, except for brands that...

Receptionist inform about next meeting.

Doesn't it all come together? You really have to look though, the reason why it gets confusing I think, is there are some brands where actually what you are buying is the advertising. Michael Jordan-Nike-sneakers in a city, I'll never gonna run with them, I just wanna be seen with them. When you see that sneaker, you gonna think that Michael Jordan, you gonna look at me, I get that radiation on me, I'm like supercool; ok in that sense you could actually say that what you are buying in the image that they put into advertising is the product. Not a lot of products are like that, not a lot of products trade on image alone. For those, the advertising is actually what you are buying to a greater extent. Most products aren't doing that. You're buying actually the core value that you get from the thing even Apple, despite all the image and stuff, yeah their image helps, I'm not a PC, I want to be associated with this. The core thing is understanding why people buy things, understand the value of it and then addressing it and then with the marketing and the advertising and all the rest of the stuff making sure that that could be seen is being explained fairly (?55.58). You know the idea with the R.. Cr.. (?? 56.01), he, is it what you sell that people buy, no one's ever bought (? 56.11) only buying convenience so he doesn't change the hamburger, it's a horrible hamburger, they made it so easy to get to, they made it so consistent, it's so safe and so all these other things that he understood that he was selling convenience and not hamburgers.

Was it good then for McDonalds for example to do all their, I don't know, line extensions because they have so much products right now.

That's a tough spot because they chose a category of products that's being like dumped on by everybody, you know, it's not healthy...

But shouldn't they be better if they just had the Big Mac and the Quarterpounder and that's it?

I mean, yeah, I don't know. I've seen in countries that they actually have different stuff, like KFC in China has stuff I've never even seen before. I guess but there's having a brand, the idea with McDonalds, if it's convenient and serve a local market it's...

But it's not that convenient anymore, is it?

Now you're in Sweden. I mean honestly, it takes half an hour to get a burger. The whole idea was fast-food but I think with most of these places, with most of these brands, if they have a good core value that is really (?) some sort of human value proposition, they will .. (?57.28) different cultures and they can change stuff around a little bit more and still keep true the brand.

Just one example before we finished off that we wanted to hear your opinion about was that we were discussing Läkerol, you know the Swedish pastilles, now they've come up with chewing gum. And we were kind of discussing that among ourselves like why would you wanna buy a chewing gum that's Läkerol? Because that to us is the pastilles that you take when...

Yeah, they have a really strong positioning within that category so moving over to another category is very...

and you were saying that, it's not a big stretch from.. but still to us is like why?

It's a big stretch to me, I didn't grow up with the, but I definitely, there's a case where I would've created another brand but they probably have.. (58.20) but it's just that, it just sounds like they're getting greedy. People like the taste there, why can't they make popcorn? Then during the movie you don't have to buy both, you just get one! I think that would've been a good example to create a beautiful, fresh, new really cool brand but it'll be expensive and it takes time.

Do you think it will succeed in the long-term? Because from what I've heard, but this is also something that Ries and Trout say that, because they were really successful last, because the ad agency that I worked with they were working with Läkerol with this launch and they were saying that these chewing gums they were sold out in the supermarkets but they are saying in the books that, yeah people will be really interested in the beginning and buy it, but then they will go back to the real chewing gum.

Look at Pepsi clear when that came out, I went out and bought it, it was freak f... (? 59.12), everyone was like wow that's cool. I think when you do something bizarre, there's a novelty of that but does it provide long-term value? That's the thing. And if it doesn't, then it's not going to survive, especially, the worst thing that could happen is, it kind of weakens their pastille-positioning and they're and I don't know...

Exactly. And it's such a strong positioning here in Sweden.

I would be so happy if I were them to have that position and I would make "extra stark" and green ones and all those weird things, but I probably wouldn't, coz I think that actually steps over a boundary. Absolut is another great example; we were, what happened is, someone walked in from (? 59.53) the marketing manager's office but a report down and said; look chewing gums are eating up our marketing share, people are chewing more gum now and they are eating less of

our things, we gotta do something, oh, but let's be a chewing gum! No, let's be a better pastille is what you should've done. Absolut, those reports that came out, we were working with them on a new launch and their share in America, that was their biggest market. More women were drinking Absolut than men and so what did they do? Let's change the brand and feminize it so they decided they were making the brand, put all flowers all over the bottle and they showed me the bottle design and said this is what we're thinking of; I said: are you insane? Did you ever stop to ask yourself why women in America drink this vodka? It's because it's masculine. And this was the, during that time it was the way to be, I mean, women were, you know, in the workforce and in America too, you shout your drink order loudly at the bartender, everyone hears what you drink so it's very much like a car and you ... (1.00.58), no one is gonna walk into a bar and say; Could I have a Shandy please? At an after-work situation, you know, can I have a lemonade with some sweet stuff in it? They are gonna say Absolut because they don't know a lot about alcohol, I mean, who does? But that is, that's kind of like a hard-core, you know, business kind of drink and.... so there's a perfect case of taking this, but if you've seen what happened, everything's got watered down, it's a well drink in a lot of bars, it's not considered Grey Goose or Grey Catellar (?) whatever they have. There are a lot of other ones that have taken their, taken that position right from them. Did they sell more? Probably. Is it a premium-brand anymore? Not that I can see. It's just another rack-vodka which is a shame because it didn't have to be that way. They could've..

No, it was really strong for a while.

Yeah, it was a really prestigious brand. They were run... There's a guy named Rush (?) in the States who's a distributor so we actually own the brand, or we, the brand was owned over here and we worked with people who owned the brand but they were smart enough to let him do his thing and to keep, make sure he didn't go outside the brand values but he knew them really well since he basically developed them. And just leave ... (? 1.02.20) alone around mid-nineties, some early nineties, the marketing manager left and a new guy came on and it was, he didn't like the idea that this guy has so much power coz this is my brand, I own the brand, I'm gonna tell him what to do, and then precipitated in the brand being taken away from him to ... (?1.02.37) and all them, the rest is just... And again, that guy had passion, that brand was, he wasn't the owner of the brand but the guy in New York who was a distributor actually, he had a lot of passion about that product and it showed in the way he build the brand and when the passion was gone, it became a business commodity and now it's, no one has an idea of what it stands for.

I can show you real quick the brand process; it goes a bit like this: We start with the offer, we use Kotler's four p's, why? Is it the best model in the world? I don't know, everyone knows it though and it's simple. At the core of it is actually the product, I'm gonna move this one down here eventually, but we then look at the context in which those four exist. I think, I mean in the Kotler-steps, I like the idea that the only four things we can change as marketers are these four things so you say you have your positioning, fine, but this is what's gonna communicate it, the product being the number one, not the advertising promotion at all, I think that's by far the least powerful way to position. And then there is the context, and this is the market and their needs, what options I have and the value, beliefs and perceptions, and then we get into this stuff and so this is how we do it. We start by defining those things. Yeah, I think this is probably the most important (referring to something on the screen), when (? 1.04.10) the basic philosophy. Everytime we start out with a new writer, especially an art-director, I stand on the other side of those windows and I say, OK, you're the target market, I'm you, I'm trying to communicate value,

so how do I do? So I write value so it looks good to me on that side of the glass, and then I say, there, job done that was easy and then, or I ask them to do it. The real art of this whole thing positioning is learning how to think backwards all the time and learning how to write backwards all the time so everything I'm doing doesn't necessarily make sense to me but it makes perfect sense to you. That's what you see with good brands who could do this (? 1.04.45). We start by asking these questions, there's the product, and then basically this tells us what the market's like, the outside reality. And then we asked these questions through those three things (referring to something on the paper) and then we say, OK, that's where your product is today, there's where the market is today, and there's usually gonna be a gap. Where do we go from here? And then we look at these two things, two things that companies can do themselves, and here is where we pick up the positioning, targeting positioning at this point. A huge step this last one, does any of this stuff we just talked about, can we actually exercise it in the real world, operationalise it and that's the last step of our branding-process to actually the r... (?1.05.53)the road and you'll actually say do we have the money to do this? And talk about the positioning, say, it's great, we'll overcome Nike, let's talk about money, how much to get that message into our heads and how we are going to change the way that we create them and the designer, let's get rid of all our designers and hire these old people who do walking shoes or whatever you're gonna do. People don't think through that. They typically would stop right there with the branding exercise and say good we are all happy, like Saab, excellent, we've all agreed on these six things, how could you not agree? There's nothing in the thing that you could disagree with because it's everything. This is really an important step and then when we do that we go back up and revisit this, and hopefully, and in a good marketing company this cycle never ends and then you change all those four things to better serve the market and their idea of value and basically, when this changes, you adjust to it, with these six things, so when these three things change you manoeuvre with these six things and that's basically it.

Thanking Sean for having given the interview.

Appendix 2

Transcript of interview with Klas Tjebbes at Eight, 2010-04-26

To what degree do you get to influence the brand strategy, with regards to brand positioning?

Well it depends, it could for example be a big company that is well prepared and they have perhaps already built their brand platform, together with another branding consultant. Or perhaps either themselves or their previous (ad) agency already created one. That's one situation. The other is if they ask us to start from the very beginning, and the ratio is probably 50/50. And the sooner we are able to get involved the better for us, but it's not like we would disagree with someone else's work or brand platform. Since we are in the business of communication, we tell our clients that we appreciate them having the theoretical frameworks, but that it will not serve its purpose if it is not translated into effective communication (campaigns). Otherwise all that it is, is a strategic document with no effect, and we have unfortunately created hundreds of those. They end up being filed away somewhere and forgotten, and after a few years another consultant comes and creates a new one.

Therefore we feel it's important that companies work with communication agencies like ours to implement those strategies.

Have you ever been in the situation where you have been presented with a strategy that you felt would not work in practice?

Yes, it can happen. If they've created a brand platform then we would like to be able to comment and give our opinion about it, and sometimes you might feel like it perhaps is not the optimal strategy. But on the other hand, if they have invested in a brand strategy it would be very unprofessional of us to..

Interruptions - changing rooms..

So, where were we..

Well, lets say you were presented with a strategy and you would feel that it just wouldn't work in practice, how would you approach the issue? Would you try to adjust it or just accept it the way that it is and try to make something out of it?

Well, ideally you would like to have an open relationship with your client so that you would feel like you could express your opinions, and you would probably have big discussions opposing opinions regarding the matter. But it is also important to respect each other's work, there is also a political dimension to it which is probably deeply rooted and high in the hierarchy. So sometimes it's just impossible to reverse the process due to the major financial investments. Also, you have to consider the fact that if they've come this far, they have to have done some research into it. And personally I feel that taking a decision on a strategy and going through with it is much more important than the strategy being 100% correct. 80% good strategy but 100% implementation is much, much better than 100% good strategy but 80% implementation. The actual driving force behind it is what matters the most.

However I agree with you, if it's a completely impossible strategy then you wouldn't agree on following through with it. Luckily you hardly ever end up in that situation.

So then how would you explain brand positioning to a client that doesn't quite know what it is? Do you at the agency follow any positioning guidelines when working with brand positioning?

Well we have something that is called the Eight Steps that we work with. And just to explain them quickly, you start by performing a 'status check', that is, where are we right now? And that is pretty quickly performed. Where are we right now, where do we want to be and what are our objectives? Where are we heading? And that is for us to be able to evaluate the 'reality' in the right manner, i.e. so that when conducting research we ask the right questions.

And the next step is thorough research, and that we do together with someone at Lund's university called Johan Anselmsson, who we collaborate with. He's very talented and I like his methods for evaluating different brand-variables. And then we also work with someone else at Lund's university called Sofia Ulver-Sneistrup, and she's very knowledgeable in areas such as consumer insights, and the "softer" aspects of brand building. And we also work with a research company called YouGov. So we then sell the research documents to our clients, so that you know what you are doing before you start.

The third step in our process deals with brand building. And for that we are usually more than happy to work with our clients' models, that's completely fine, I feel that most models are of equal effectiveness – there are as many models as there are universities. So what's important here is not the model used, but how you implement it.

Would you say that everyone here at the agency is aware of these guidelines?

Yes. I can show you the presentation that we show our clients. Here you can see the eight steps. And here I have created a very clear image – and this is for companies that know nothing about these terms – with definitions of the different branding terms. Starting with the branding platform and the communication platform. There is certain confusion with regards to the difference of these terms, even if people claim to know the difference. And that's why we've created our own super-clear definition. So the branding platform is what the brand really is, if it had been a human being it would be its heart. It is who you are when you get up on Monday morning and you look at yourself in the mirror. No one else can see me; it's who I truly am. And since brands aren't human beings we build their identities. And then we build the communication platform. This is where many fail, since most academics don't go beyond the creating of the brand identity. But that isn't worth anything if you don't communicate it somehow. So the communication platform is represented by the accessories that the person has, the clothes that they wear and the appearance that they choose to convey.

And that is something that we create for the brands. And you can of course choose to be the "weird" guy who wears red glasses one day and a curly wig the other, and that would make you famous for being the funny guy, but then people wouldn't recognise you since you have different looks each day. That's not a good investment for most brands.

Some can pull off being the "weird guy", but you would have to be pretty famous from the start.

And so the third thing we do is communication. So you could talk about brands during the day and soccer at night. You can say many different things, but you can pull this off since you are the same person at all times. And that's how clearly we define those key concepts to our clients.

And here we created our own model. And this is just to clarify the concepts, it follows the same ideas as the 'brand key' or the (*inaudible*), it's just so that you can go from brand heritage and gain real insights not only from the consumers but also the industry.

I've worked about 20 years with different models so I've basically just taken a straight line to the important things.

So that's how we work. And then we just build upon the platform. How to get the look and feel with text and images and all. And that is the most difficult of all, because it's really easy to build a brand since it's all theories, it's like building a boat. When it's on the shore it's great, but it also needs to be put in the water and sail. And that's why I don't trust brand consultants fully, because they don't need to take responsibility for the brand that they've created. But it's the common man out there that has to feel what you have created, and for that to happen you have to disregard some aspects in favour of others in order to catch their attention, and that's the most difficult part. It takes courage and talent. And most people don't go all the way, they just build the theory and then the rest is all up to us.

One message that is clearly and often communicated by for example Jack Trout and Al Ries is the fact that companies often have a very straight and simple idea, and when this then is turned over to the ad agency the creatives go funny with it and turn it into something too fuzzy. How do you see creativity in your campaigns, is it 'the more creative the better' or do you also follow guidelines for the creative work?

Yes absolutely. Our creativity is something that is bought and paid for, and it has a purpose which is to create better business – we are in the business of sales (of different things). What we promise is better business through better communication. That's the reason we exist. And this is the reason for our creativity – so that it will lead to sales. And that's something that the creatives here are well aware of, that's why we work. All communication really is, is a platform to build more sales.

However one area that leaves a lot of room for creativity today that is also very cost saving and leads to sales is to look at how you chose your media. The whole industry has experienced change in the last four, three and even two years, and that tells our clients quite a lot.

Not long ago companies could come up with a brand/product that they'd want to sell, and then they would go ahead and book all traditional media such as TV, outdoors and print and that would be it. Oh and then of course they would also create a website for their campaign. And this is how it worked up until a few years ago, and that has changed completely since we are not the only ones building brands anymore, we are building them together with our consumers. This is the main difference, consumers are building the brands nowadays and you can't just shout what you have at them, you have to invite them into the conversation and ask them what they want, and how they want it.

So then we have all this media that is not traditional media that one can use, the most famous right now being social networks. They allow you to communicate your brand and open up to the

audience without doing any actual selling, which allows for a more honest relationship. And if you manage that then you can become very successful. And this is just one example of a very cheap media. That's where the creatives come in, they can think outside the box in terms of media – 'maybe we don't need a campaign website, but maybe we should try an app for the iphone, or maybe a game, or maybe we should just be giving away our products to these people'. To us that is much more about communication rather than the ad-campaign itself.

But do you think that this could work for all kinds of brands, or would it be more difficult/impossible for some?

Well, everyone has their demands, you can't just work after templates anymore, you have to actually think about it. Especially when it comes to media, much more now than before.

Considering the change you mentioned these past few years, how do you see the future in terms of trends, is it predictable and do you think this will be what works ten years from now as well?

Well, that's a big question. I personally think that, if we talk about consumer brands to make it more easy, companies have survived on building brands up until about ten years ago, and then retail (industry) has taken over and the power has shifted to the distribution channels. And ICA and Coop and other retail chains in Sweden and abroad have become very good at taking advantage of this. ICA is the one who decides if a brand is to be sold or not, and this is why brands have had to resort to line extensions. You just have to have five different kinds of Pepsodent or you won't have any shelf space at ICA. So then you have to invent one that is Ultra White Glistering White even though you already had a Ultra White toothpaste. And this is the reason we have all this strange products like olive-flavoured mozzarella, I mean no one really needs that but it's needed to be part of the distribution. So retail pressures the brands and the brand create line extensions or the retailers launch private brands.

Are we talking about product extensions here or brand extensions?

I see what you mean, you've read Kotler. Well we're actually dealing with both, but mostly product extensions.

So, what's happened is that we (the people in the communications industry) have been dealing a lot with sales, action marketing specifically and how to get the products out, eg coupons, customer membership cards, offers etc. And the retail industry has mad it more and more difficult to get a foothold. So in my opinion that trend is slowly fading, in the end if you don't like a product then you won't buy it. ICA has understood this, they have used all the money from pressuring the companies to build private brands, successfully. Even though they don't produce any of the products, they buy them from their suppliers. ICA doesn't develop diapers or razors, Pampers and Gillette do and ICA only sells them. So in the long-term this has catastrophic consequences since we'll get worse and worse products. But they built their own private brand, so my conclusion is that brands will always be important because if you enter a store and you don't like Zoegas coffee, then you will never buy it either. So I believe that we will always be building brands.

Sony Bravia is another example. They started with action marketing inspired communication, they sponsored stadiums for Champions League matches, and then they realised that they had

gotten themselves into a “trap” and that the Bravia had become some kind of low-price Sony. You got that feeling since they had only bought ad space. And then they went and did that amazing ad campaign with the coloured balls and almost over night its image changed and suddenly they were building their brand.

So I think we’ll always need to build brands, it’s just that we can’t build them the way we used to, we have to build them in another way. This is where I see the new web, social networks and the brands that are honest and open to be the future. Therefore we, the people in the communications industry, need to understand that we have to be open and that we can no longer shout *advertising (campaign/tv ad)* – it’s a much more complicated communications landscape today.

So, can you tell us what a strong brand is to you? I mean, when we read Trout etc they are completely against line extensions and they claim that a strong brand is a brand that focuses on what they are good at, they are supposed to “own a word”, i.e. stand for something, so that us as consumers will easily remember them, and that you have to ‘narrow the focus’, i.e. not try to be everything for everyone but focus on a specific segment. However today it feels like all brands are doing is extending and trying to appeal to everyone, so doing the exact opposite.

Well actually that’s because of what I was talking about before. The power is in the hands of the distributors. Brands don’t have the power anymore. Gillette was thrown out from ICA, ICA just told them they did not have good enough margins on their products. So Gillette tell ICA that they are the ones that develop ICA’s products, and ICA just don’t care since they just want to make more money. And of course Gillette also has to make more money but ICA doesn’t care about that – overnight they lost all their distribution, or about 80% of it.

How do you, as an expert, feel about line extensions in general – are they good/not good?

Well it’s not good for your brand, it involves major risk. That’s just obvious. On the other hand, if you don’t have any distribution channels then what are you going to do with your brand? So the distribution channels are the key, if you have other possibilities to sell then great, and if not then you have to sell-in to the distribution channels.

We’ve read that it actually damages the brand in the long-term, even if it does lead to short-term sales. One example that we were discussing was Läkerol, and Läkerol to us stands for one thing and that is pastilles. And then they launch chewing gum, and we were saying that we are not really interested in buying chewing gum from a brand that to us stands for pastilles. I mean you might try it when it’s launched just out of curiosity, but Läkerol, which is such a strong brand in Sweden, stands for pastilles.

Well yes, I completely agree with you from the point of “this is how it should be” and according to theory, but the books that you have been reading – and I have to say I have not even read a fraction of that, but I have about twenty years of practical experience – those books were written a few years ago, even three years ago, and then the brand builders were more into what is right is right and doing the right thing. But once again the distribution channel is the key, and there are also some main capitalistic ideas behind it; Läkerol needs to sell more, Leaf has to increase their volume. It’s all about pushing as much as possible into the market, and this is a decision

that the board makes and they don't really care if it will hurt the brand a bit in the long-term since they will not be owning it 18 months from now.

But wouldn't it have been an advantage to create a new name for it instead of calling it Läkerol Tuggummi?

The investment costs are pretty big, I mean we would have made more from it but probably not the company. It's really about the principles of Kotler; we have built a brand and invested a lot of money into the brand name so the natural thing to do is to use the brand to sell new products.

But Al Ries and Jack Trout are advertising guys and they are completely against this method.

Advertising guys always are. We are sitting there going 'damn you sales people you are only out to make more profit – think long-term, nurture the brand'. That's what we've been saying for twenty years, but that argument is difficult to sell because of the power of the distribution channels.

And often the person who makes that decision probably won't be there in the long-term and is only out to leave his mark in the company.

And that's another great concern, the fact that everyone's a 'economist'. When I started you would meet the 'lawn-mowing guy' at 'Klippo' who had been a trained lawn mower all his life and who insisted that they'd be made in some moulding iron. Now there are only people who are interested in maximising the sales, so that they can put that on their CVs and then move on in three years.

So brands suffer from not having that heritage, and that's why we try to invent this story-telling heritage. Innocent juices are an example of a brand that has really built their brand on a story.

Can you give us an example of a brand that you feel has succeeded in a strong positioning, and why? One example that is often used in the textbooks is Volvo, and that's because they were able to own a word, namely 'safety'.

One brand that I'm proud of that we've been working with for many years is Zoegas, they I believe did it very well. They had Skånerost, Mallbergs etc and it was very successfully and deeply rooted in Scania, 80% of sales were in Scania. There was even rumours that it was specially made to suit the water in Scania. And that was not very well appreciated in Stockholm since they thought it was better suited for the water in Scania. And strategically that wasn't very smart since Sweden is a small and they had chosen to focus on a very small share of it. So then we built their brand platform together with them. We took their main attribute, which was 'mörkrost' and we made that into their brand essence and since then everything has been 'mörkrost'. And this was in spite not everybody liking 'mörkrost', everyone liked Gevalia then, 'Om du får oväntat besök', Gevalia 'mellanrost' so it was a bit risky to chose 'mörkrost' since it was stronger and not liked by many. But this has been Zoegas focus consistently these past ten years and they managed to double their market share while keeping the Zoegas brand and even adding more brands such as Pallacio etc. So they have been great at what we have been talking about negatively here, namely extending the brand into new products. But they did it on a new brand basis, so these are new products with new names, there is Forza, Suprema etc. but all

within the 'mörkrost' category, so this has only strengthened their brand. So I think they've done a great job with that.

That's something that we've read a lot, that if you do decide to create new products then you should create new brands for them.

Could you give us an example of a brand that has not done so well, in Sweden or abroad, that according to you should have acted differently?

Well this might not answer your question to the point but it's what came to my mind first, and that's Findus. Findus is a household brand in Sweden, so it's something that you've grown up with, like their traditional marmalade, or fish sticks – those were always Findus. And then they've also always had quality vegetables, such as the peas that were harvested within four hours and just generally a nice, Scania food brand which they have managed to completely destroy since all they have done is to launch new ready meals, i.e. these one portion meals that come in plastic containers that look absolutely horrible. They have just been launching sub-brand after sub-brand, and at the same time keeping their good quality frozen vegetables a bit hidden under a brand that today has lost its essence even though they have some quality foods.

What do you think the reason behind this is? The distribution?

Yes I believe it is. They have only looked at sales here, and you can make a lot of money selling these ready-meals as it's low-quality food that you sell for a quite high price. And it's much more expensive to harvest spinach and package and sell it, so I think that is the main reason. Also there is some incompetence involved since someone failed to see the dangers of acting this way.

So lets say you were made responsible for the Findus brand, and you were given quite a large marketing budget, what would you have done?

Well I think this is what they are planning to do right now.. I've seen a campaign on TV and I know they have changed agencies since we were in the pitch for the account but lost, and we told them that they can't continue like this and that they are destroying their brand, but we still lost. So I know that they are taking that direction, they will be building their brand around their core values, good food made from good raw material. And that has an impact on the image of their ready meals as well, because if you manage to build your brand around quality food selling ready meals will be easier.

Especially now when people have stopped buying low-quality food.

Yes exactly. People here in Sweden made their voices heard and told them "listen, we don't want this crap" loud and clear. There were even reviews in the papers comparing the image of the food on the ready meal package and what was actually in it, and the difference was just ridiculous!

But, good food made from good raw material – that doesn't really sound like a strong positioning strategy since there are a few other brands out there with the same promise.

No you are right, that's not a unique positioning but in my opinion there are no unique positioning (strategies) anymore. In the olden days you learnt about the unique selling point or unique proposition, but that doesn't exist anymore. In the fifties for example if you created a new

refrigerator you would keep that technology for about five years, now it lasts about five minutes. So you can't really build a brand on its uniqueness, you have to build it on strong core values as well as on a strong emotional level and on a firm ground so that you are successful.

But if one brand claims that they are good at something, and another brand claims the exact same thing, then they still need to differentiate somehow, right?

Well yes, then you'll need some kind of evidence, like for example "we are from Bjuv" so we are proper Swedish food. And that's the difficult part, to be able to build values that will feel unique. I think the consumer can see that they are not unique, but I don't think that matters as long as they're high-quality, or the best, or even the most credible – and that's what you want to achieve.

Another theory that we've encountered is the fact that you don't actually have to be the best at something, as long as you are the first to take the 'leader' position within a category in the consumers' minds. If you take Volvo as an example, they were the first car-maker to 'own' the word safety – even though statistically the Saab was a much safer car, they just didn't claim that position before Volvo did. And this is why Volvo has been able to hold on to this position.

Yes, but it has cost them a lot of money. But that is true, if you're very stubborn then you will benefit from it, and they've certainly been just that.

When looking at what Ries and Trout have claimed in their books, such as the 22 immutable laws of branding, they've been reinforcing the fact that you should narrow the focus of your brand, appeal to a specific segment and just really focus the brand, but in reality the opposite has happened. However this was written in the 1970's, so would the answers that were given here today have looked differently if we had had this interview five years ago?

Yes, I do believe they would have been different. Five years ago I think we were very frustrated with this 'action marketing' concept – everything was about sales and we didn't really see any other way out. Looking at digital communication only, it has given us new opportunities to build brands with less financial resources but with greater effect since you're building it together with your consumers.

Paus

My main theory is this: everything we as human beings do is communication, it doesn't matter if it's asking questions, having a Monday meeting, sending an email, creating a statistical report, sending a tender to the retailers, creating advertising or a sticker – everything is communication. Playing with your children, that's also communication. We are communicating beings. And because of that communication is one of the most important aspects of business - that is something that I'm completely convinced of. And that's why we exist.

And brands are no longer being built by companies, they are built by the consumers. The world has changed. It's not the way it used to be, you can't just grab a megaphone and tell people what to think anymore because we are passed that. We are communicating beings. So you need to think 'media' in a completely different manner, and this is where you have a chance to be creative. Everything is Media.

We think strategies are useless if you can't convert them into something real. It's only when it's made into communication that it's actually worth something, and most of the times it's not turned into communication. That's the main difference between the academics and us, we are the ones that have to turn the strategy into effective communication and that's when you see whether the emperor really is naked, otherwise it's just empty words. And unfortunately about half of the times it's just empty words (brand strategies). This is why it's so important to build the brand strategy together with the communications platform in mind.

Anything up until that part is just useless. That's why you should build the strategy together with us, because we're communicators and we work everyday with creating letters, stickers, brochures, ads – we know where the brand strategy is meant to end up. And this is why we've created these 'Eight' steps.

Discussing brand consultants' work

Speaking of us being communicating beings, Ries and Trout argue quite a lot that us humans need simple and clear communication in order to grasp it – we need it to be straightforward and not super-creative with fuzzy ads that don't really make any sense.

I completely agree. I think the advertising industry has ended up on a strange sidetrack. On the one hand we are more and more threatened by concepts like action marketing, and on the other hand we have festivals like the one in Cannes that awards humoristic wonders. It's just so far from what we are really about that it's actually embarrassing sometimes. And I agree with you there, if you can build communication that is simple, trustworthy and that touches people then you are on the right track.

I was in the jury for the "Guldägget" last year and you couldn't help but feel that *sighs*..

I mean, shouldn't you be judging a campaign by its effectiveness, and it feels that the funniest ad is the one that wins the prize.

Yes. It feels like people are still trying to hold on to the 'golden past' and its glamour. It's very sad. Have you read these books about the little mice?

(No)

It's the worst kind of management literature in one way but still really makes a point.

Talks about the story of the mice and the cheese

Another point that was discussed in the literature that we read, and that we've studied in some commercials, is the fact that you should position your brand against a competitor. We were under the impression that you weren't allowed to do that in Sweden and then we saw the commercials for Tele2 and 3, and we didn't know that you were allowed to do such a thing here. One example that is mentioned in the books is Avis.

Yes that's the classic example of the fifties.

Exactly, and that they became so successful by acknowledging that they were number two and because of that they 'try harder'.

Well that position is always a successful one. Even in Greek plays and stories by the brothers Grimm – it always works.

Do you think that it's important to have a big competitor within your category?

Yes I think so. And it's good for you as well.

And then you have some brands like Apple that can pull off basically “badmouthing” their competitors, but I mean there are not a lot of brands that could get away with that, but when they do it you find it funny.

I also believe that these brand theorists they can't quite hide their delight of the image that people have of the communications industry. And that's of course beneficial for them since they look at advertising people and say “oh those ad men only want to end up in Cannes and they only do funny things” – but that's not how it is in reality. A clever communications agency knows that they are there to drive sales. On the other hand we look down on the brand consultants since they only do the theoretical work - and that's just how it works.

So if you were to give the simplest explanation of what brand positioning is, what would it be?

It would be using the human being as an example. You have to decide who you are, and when you've decided who you are you have to decide how you are going to be that person. And then you need to stick to that, and that's the most difficult part. And finally, you have to separate the brand platform from the brand communication. You can communicate practically anything, as long as you do so while being true to yourself.

Thinking about it, I would answer: Be true to your heart. Decide who you want to be and then be true to yourself. I think that is the most important thing when building a brand and its communication.

And often the brands that keep true to their values are those that survive.

Often, those that are most passionate about the brand, they put everything into the brand, but unfortunately you don't find many of those people anymore. They are always true to themselves and the brand.

If you would then need to change what the brand is all about due to changes in consumer behaviour or the markets, do you think it's possible to reposition a strong brand? Is it something that you've worked with?

Not as dramatically as that. And it's really only a financial matter – anything is possible if you have the budget for it. But of course it would be very difficult and costly.

We actually worked with Findus baby food a few years back. Findus used to be owned by Nestle until they decided to sell it, keeping the Findus baby food brand only. Nestle started off as a baby food company and that is their core business so they didn't want to sell that part of the business. So they kept the Findus baby food, but since they sold the Findus brand they had to rename the product. From the 'nice' Findus baby food to the 'evil' Nestle baby food, which in Sweden was famous for a mistake they did in the third world countries where they gave mother's milk to mothers who didn't need it at all. So there was even a boycott against Nestle. So we worked on

that brand switch, going from Findus to Nestle - from the 'mean' perception of Nestle to a brand that people would like. And that was a really difficult task.

So you're saying that it is possible, as long as you have the money to pull it off..and that it takes a long time.

Yes, we built a brand platform that was formed around something else, not Findus or Nestle, but something else in the middle. And that was 'knowledge', which is something that a big 'mean' company has to its advantage, the fact that it knows what it's doing. And since Nestle are much bigger than Findus they also have much more knowledge about baby food. So we took the word 'knowledge' and built the brand platform on that. But it took us five years, and during that time sales plummeted even though we managed the change gradually. And it took them (another) five years to climb up again - and those were five difficult years - but they managed to reach the same level of sales as before.

Finish off interview

Appendix 3

Interview with Fredrik Aberg, LynxEye, 2010-04-28

Could you start by explaining how the process goes when a client comes to you for help, that is, when you work with brands, how much of the final brand strategy do you influence?

Well, I guess the most common scenario is that a client comes to us, because of their growth has slowed down, or that they have pro-actively sought advice on for example what to do with their brand or who to target. So often, the brand positioning process starts with segmenting the market. And you do this for example by conducting an online survey with X number of respondents. This way you can divide the market in different segments and then analyse these different segments to see which one would be the most profitable. And then you have different measurement criteria, for example how big each segment is, their consuming habits, their opinions on our brands and other brands etc.

And do you use the tool “perceptual mapping” when you do this? The reason why we ask is that we have read a lot in the textbooks about perceptual mapping and that it’s a good tool for doing what you just described.

No, I don’t think so. What exactly do you mean by perceptual mapping?

Well, how can you explain this? It’s like a graph, where you have two different variables that the consumers could associate with the particular industry that the brand belongs to. And then you find the positions of each of the competitors within that graph.

Well it’s a common way of kind of visualising how the different segments relate to each other. If I understood you correctly, a common way of dividing several categories is to measure the level of commitment in one category, and the rationality and emotion in the other. When we work with mobile phones, for example, then that’s a very common way to divide the market. For example rational business phones with emotional phones focusing on design and cool features. Then the level of commitment shows how much you are willing to pay and how advanced you want your phone to be. So yes, absolutely, that’s a good way of contrasting how different segments are related to each other. When we worked with the vodka and alcohol category we were using similar tools. But I have to say that it’s not through plotting the different brands in one of those ‘perceptual maps’ that you then find your target market. For that there are much more specific evaluation criteria. What perceptual mapping is good for and can help with is segmenting the market and being able to identify let’s say 7 or 8 segments, and then you can see that for example one segment isn’t big enough to target, and then you could decide to target more than one. And for that you can analyse and see which segments are

most alike and value the same things, and in that way you can choose several segments that are however quite similar.

It's very interesting to see how these tools are used in practice since in the books they kind of say: Use this perceptual map in order to find a 'gap' in the market and then you can position your brand accordingly, and claim a position that no other competitor has claimed.

Well yes, I mean there are tools that you can use to find a gap, and perceptual mapping might be one. We use another tool, that as a part of our segmenting-research, we use by taking a number of different brands and associations that are relevant to the category, and then we ask our respondents to say what brands go with what associations. And then you can plot the results in a graph to see how those brands and associations connect. And then you can for example see if there are some associations that aren't connected to any brand, but at the same time those associations could be very important to drive preference. It seems to correlate very strongly with whether you like a brand or not.

So to go back to our research methods one second, we do the segmentation and we analyse the different segments to see which ones are the most attractive. And one of the perspectives that we consider is how the segment feels about our brand. So if we take the mobile phone as an example, one segment might feel that the phone being user-friendly is the most important thing, and therefore if our brand is associated with being user-friendly then that segment would be a bit easier to appeal to. So in some ways our starting point is the consumer and the segment, and finding segments that we believe we could 'win' and that we think have great potential. That is maybe Step 2, when we found a segment and kind of consumer that we think we could win over, then we try to find out how to win them over. And we can do this partly by quantitative studies, to try and find out what is most important to them within that category. And then we might find out that there are certain attributes that they find important but that they don't associate with any brand at the moment, there might be several brands that are associated with being user-friendly for example, but no brand that has gotten a firm hold of that position and has tried to fully exploit that position. Then that could be seen as a possible brand positioning strategy.

What the quantitative studies do are help us by providing possibilities for segments that could be exploited, or possible successful positions for our brands.

And that's still in Step 2, when we have chosen our target market then we have the qualitative studies with for example focus groups with consumers from the target market. This helps us to gain a deeper understanding of what it is that drives them and how we can create a strong relationship with our brand and this target market. And there are a lot of qualitative methods you can use for that, and what you could do is that you create a prototype of what the positioning of the brand could be, using images or other visuals, and then you can have insightful discussions with the target market and

learn for example about what is interesting to them and why, and if they would find a certain brand appealing to them and if not then why, and etc.

And in that way you could reach a new, better position for your brand.

You mentioned strong brands, could you give an example of a brand that in your opinion has been able to develop a good position, and please motivate why?

Well, what example could I give. I mean there are some that are totally dominant in the market, like for example Apple, that's a great example of an incredibly strong brand, and Google. There are hardly any brands that can compare to their position, and for example how much people are willing to pay for their products, wait in queues, and there is generally a high level of tolerance when it comes to f buster with their products since they are so appreciated.

So what do you think is the reason behind them being so strong? That is, in terms of positioning?

I think that, especially in the case of Apple, that they positioned their brand as 'the tools for creative minds', and to feel creative and feel part of this community of creative people I think has been the driving force for many young, strong consumers. And that's something that few, or perhaps no other IT company has exploited. For example Microsoft, or any other IT company, has perhaps not given the consumers an opportunity to feel part of a creative group or community. I've had friends telling me: "Now that I've bought my Apple computer I'm gonna learn how to create and edit movies". And the same thing goes for picture, music and everything else. Musik and advertising are both built on creativity and I believe creativity has become something of a trend, something that is still discussed a lot and something that people look up to. Our generation probably looks more up to creative people than smart, talented and entrepreneurial people and those other personality traits. So I think creativity is something that we look up to a lot today, and Apple has managed to create this shortcut, or a bridge, that allows us to get just a little bit closer to that.

So you just mentioned Microsoft briefly as maybe not being very strongly positioned, could you give an example of another big brand that has maybe not been able to position itself very strongly?

A brand that didn't get it right.. Well..

But that potentially could be much stronger since the products are very good.

Well I think that for example Volvo could get a lot more out of its brand. They've always been good with delivering 'security', however, if you wish to sell cars as expensive as Volvo is trying to now, then you might have to focus on other attributes so that it's not just seen as a 'boring' brand. It's only really in Sweden that Volvo is a common car, in all

other markets it has a one or two percent share and is a niche brand. But the barrier to purchase is still that a Volvo is perceived as a bit 'boring'.

But since I work with Volvo then it might be better to give another example, a brand that I haven't worked with..

Ok, but if we ask you this instead, it's quite interesting that you mention Volvo since in the books that we've read by Ries and Trout (from the 70-80's) , Volvo is a recurring example of a brand that has been able to position itself very strongly, and that was actually through the use of the word 'safety'.

Yes absolutely, but the category changes as well. And Volvo was very successful in the 70s-80s, and they entered the US and did very well there. But then unfortunately 'safety' has become an increasingly ideal factor. Today, a Toyota, which doesn't cost as much as a Volvo, is considered just as safe. And most people will know that today any car, a BMW, Mercedes or Audi, might not be considered as safe as a Volvo but has the same level of safety when driving. This is why it's perhaps become more and more difficult for Volvo to sell 'security', since all car-makers today aim to achieve a five star security rating.

So it's more a question of the market having changed and the brand not really being able to re-invent itself?

Yes, I would say so. Maybe the focus has been too strong on 'security', and not having lived up to the expectations of the consumers when it comes to other things such as design etc. There's nothing really that says that a safe car has to be a bit boring. And then there are other factors such as maybe not managing to be as innovative and leading in their category the last 10-15 years the way they did in the 70s and 80s when they were the first ones to introduce a specific kind of seatbelt for example, and many other security features etc.

But there are a lot of other car-makers that have pretty much stuck with their positioning, what is the reason for that according to you? I mean Volvo has had their direction, but so has BMW for example.

Yes well they have done well, but I believe that as consumers have gotten more and more money, BMW has been able to deliver the 'joy to drive' and really been able to offer that 'something extra that is appreciated by the driver. If you plan to spend that extra 100,000kr compared to a normal, main-stream car then you might want that 'something extra' so that you can experience that positive feeling each day. Volvo on the other hand is offering something that you hope that you'll always have, no matter what car you choose.

So this relates to another question we have that is about how some brands sometimes can need to change their positioning strategy with the years since markets change. Have you ever worked with 'repositioning' a brand, and is it

something that is possible as long as you have enough financial resources? Or is it something that is quite difficult to achieve?

Yes well that depends a little on what you mean by 'repositioning'? Major repositioning strategies take a very long time. If you for example look at Audi's repositioning from a mainstream, mid-priced brand to a premium brand then that's taken them about 15-18 years. 15-18 years ago no one would even consider Audi as a competitor to BMW or Mercedes, back then it was a standard, family car. But then they decided that they were going to be just as good as BMW, and today they are practically there. Most people see an Audi as equal to a BMW.

So it's a vision that you have to hold on to for several years then?

Well, yes, but then again maybe the car industry is an extreme example with its very long product life cycles, but of course it takes time. But then maybe a 'revitalisation' of a brand could be done quicker, where it's not about completely repositioning a brand but to maybe "give it some energy" to show that things are happening to the brand but that the core values are the same. That's for example what Levi's did. They were really big in the 80's and were one of the strongest brands, and then they suddenly just imploded because they failed to innovate with new jeans models and new fabrics and just started to feel a bit boring. But then they shook things up and they started innovating, I mean, it did take them a few years before they were back on on track and they might not be as big now but at least they have regained much of that.

Our next question is regarding something that a lot of brands do, and that's line extensions, basically taking advantage of the brand name to expand and launch other products. There are many examples, brands such as Porsche, Virgin etc. Do you think that a brand should take advantage of its brand name to extend into other products, or is that something that could be hurtful to the brand in the long-term?

Well I believe that brands exist so that you can make money out of them. From my perspective that's the purpose of a brand. I believe that the theories that exist regarding this subject, I think these are pretty outdated now since most of them probably were written in the 70's or 80's. And I think that the consumers were a lot less tolerant towards line extensions so that's why it showed that it would hurt the brand in the long-term. And I don't believe that that is valid today. Considering the sheer number of brands that do line extensions, some good, and some not as good, it's just not as revolutionary that a clothing brand would start making perfumes today. Neither do I believe that a brand extension failure would cause too much damage to the core brand itself today, since consumers are pretty much used to brands doing line extensions, and so that's really not such a big deal.

Can you just quickly give a couple of examples of line extensions that you feel have been successful and relevant and one that maybe should not have extended the brand?

When speaking of successful line extensions I believe that Porsche is a very good example, they've made a great amount of money on their Porsche Cayenne, and recently I read that they are planning to withdraw the Cayenne and stop making it. So they want to go back to making small sports cars so that they can kind of go back to what used to be their core values. And that's perhaps a very good decision right now, I mean, the Cayenne was maybe a bit too successful and I doubt that Porsche regrets making it. However now they're looking at the trend of environmentally friendly cars and perhaps that is why they've decided to go back to doing small sports cars. But I'm sure that they do realise that they've been able to make a lot of money on this, and that's just a positive thing. The same with all the confectionary brands, I believe they've been able to make a great deal of money on their line extensions. Ahlgrens Bilar for example, their line extensions have been successful for quite a few years now, Daim has extended into ice-creams and lots of other candies etc. And I'm convinced that this has only contributed to strengthening their brand. And I guess that it is actually quite difficult to even remember bad line extensions because they probably disappeared pretty quickly. Actually I just thought of a brand that I have developed a negative feeling towards since they did a strange line extension that I didn't really like..

Funny that you say that because we were actually discussing a case where a brand that we thought was very strongly positioned in the Swedish market and even abroad, and that's Läkerol. And to us Läkerol has always stood for one thing, and that's pastilles. But then now they've launched Läkerol Chewing Gum, and to us that was a bit strange and we thought, well why would anyone want to buy Läkerol chewing gum when it's so strongly associated with pastilles? What do think about this particular example? Is it something that can damage Läkerol in the long-term, if they don't do very well?

Well that could be a possibility yes. They have had this 'Makes people talk' brand promise or what you could call it, and that's perhaps more associated with pastilles, whereas chewing gum would probably be more associated with a nice flavour, and that's perhaps what could link the two. It feels like a lot of people buy Läkerol for its good taste as well, so ..I can't really say if it would damage the brand or not. The market for chewing gum is really big and there's really only one big brand in it, and that's Extra. So I can see how the business case would look very promising to enter the chewing gum market, Extra must be making lots and lots of money.

So it's mostly about distribution and making money basically?

It's not only about making money. You also need to make money consistently during as long a period as possible. But if you look at the life cycle of a brand, it is all about making as much money as possible. I would say that I am, in general, very positive towards

brand extensions. There should of course be a good reasoning behind it, a logic as to why you would want to enter a new category. And for Läkerol I would maybe agree that 'Makes people talk' might not exactly be very well associated with chewing gum, but that the good taste could be the link between the two. In some ways I think maybe it would be easier if Extra for example went the other way. Extra is good for your teeth, so it would make sense to create a pastille that would also be good for the teeth. Then you're still conveying the same brand promise or benefit that you then deliver, and I think that is very important. Same thing with Porsche, Cayenne has done very well, and even if it is an SUV then it still has that feeling of 'sportiness' that a Porsche has.

That is true. But then again they have also extended the brand even further and make for example espresso machines and basically everything in home appliances, clothes and..

Well they have a design element of Porsche that they have used to create other products, and I think they've done a very good job. Nobody sees those kind of Porsche products as competing against the Porsche cars, and what I think it contributes with is showing that Porsche knows design, and is a modern lifestyle brand. So there is a kind of 'lifestyle brand' Porsche as well.

But what do you think would happen if you went the other way, that is if a clothing brand started making a sports car?

There could be several reasons behind creating line extensions, one of them is simply to make money. The other would be that you would want to 'energise' ladda the fashion brand with lots of positive associations. In the case of Porsche they said lets make kitchen knives and watches of great design, and show that we are really good at the concept of design. That way maybe people would associate first-class design with the Porsche cars as well. So it's probably not so much about making money by selling kitchen knives that they make them, but more with hopefully selling more Porsche cars since they are associated with great design and a certain kind of lifestyle. There is a logic in that, but if a fashion brand for example would want to produce a sports car, then you might be wondering what kind of benefits the fashion brand possibly could attain from doing that?

Or mobile phones? That's something that a lot of fashion brands have done.

Mobile phones? Absolutely. In those cases I think that the mobile phone manufacturers are the ones that want to do these collaborations since that could increase their associations to design and appeal to fashion conscious consumers. And for the fashion brands it's probably got to do with exposing the brand, but also of course money. I hardly believe that Dolce & Gabbana think that going into mobile phones and making a gold phone with Motorola would strengthen their brand. It's more about Motorola paying Dolce & Gabbana a large sum of money, and the feeling that X millions is worth 'lending' the brand for. Here we could definitely talk about damaging the brand in the

long-term, engaging in too many of these types of licensing deals could certainly damage the credibility of the brand. Gucci for example went through a period of expanding and licensing the brand a bit too fast with watches, bags, sunglasses etc., and they were available everywhere so in the end the exclusivity that one normally associates with these luxury brands “suddades ut” to a certain degree. So for luxury brands in particular, I don’t see any dangers in expanding into too many categories, but the whole point of luxury brands is that they should be exclusive and not too easy to obtain. So there is a risk in expanding quickly into new categories and making the brand too easily obtainable to a wider market. Not everybody would afford to buy a Gucci outfit, but if you sell Gucci watches and sunglasses, well then suddenly a lot more people have access to the brand, and that could in turn lead to others not willing to buy the brand anymore because it has lost some of its exclusivity.

So the key is to be selective?

More so for luxury brands. When you’re planning to do a line extension, it’s important that the brand core values or essence is not forgotten and that it can still be conveyed in the new category. And if a luxury brand is supposed to be seen as exclusive, then there is a risk of loosing that association. If the bags that the brand produces don’t cost less than 15,000kr, and then the sunglasses are at 1,000kr, then you might be making the brand available to all new consumer segments, therefore loosing some of that exclusivity. That could definitely happen. At the same time many of these brands have proven quite robust when it comes to extending to for example watches, sunglasses, perfumes, accessories etc. I know that Gucci for example has cut back on a lot of its brand extensions, when a few years ago they realised that they were growing too fast into too many categories, and were loosing their exclusivity. So they decided to cut back on accessories etc, and their distribution in order to regain some of that exclusivity.

Speaking of Gucci and luxury brands, practically all of them have extended into categories such as perfumes, sunglasses, cosmetics etc. Doesn’t that kind of put pressure on other luxury brands to follow in the same footsteps so that they don’t ‘fall behind’?

Well the fact that you are present in all of these categories just shows that you are one of the ‘big guys’ out there.

Exactly, so it’s almost like you can’t afford not to expand? All of the luxury brands today, like Dior, Gucci, Armani etc., they have all extended into several categories.

The strength of a brand goes hand in hand with how well-known it is and the amount that it sells etc, and if there are more categories that the brand sells products in then of course it could appeal to more people and become more know. Gucci probably sells more clothes thanks to the fact that they also sell a lot of sunglasses and watches. I believe that is how it is.

So I'm in general very positive towards brand extensions and line extensions. In my personal opinion the conclusions that the theories have made regarding these subjects are a bit exaggerated, and I also believe that consumers have changed over the years. They have gotten used to companies extending their brands. I don't think anyone found it strange that Ballerina constantly launches new flavours and cupcakes and so on. But fifteen years ago then you might have raised an eyebrow and felt that Ballerina should be making their 'cookies' and nothing else. However I believe that there is a fine line somewhere, and I think that Gucci got very close to that line. At the same time they've managed to become one of the largest fashion houses and made a lot of money doing what they do. The same with Porsche, they have now decided to cut back on some of the models, but that doesn't mean that they made the wrong decision to begin with. It was probably a good decision to make the Cayenne since they must have made a lot of money off it, even though in a few years time the right thing could be to stop selling the Cayenne and go back to making smaller sports cars. There is not a rule saying that a brand has to continuously grow and become bigger and bigger. During some periods when for example consumer trends increase demand then it could be logical to expand the brand as well, and if the situation changes then you might want to pull out of those new categories.

I believe that even in long-term brand building, if you do it correctly, then I think that brands could be a bit opportunistic as well. You have to be careful so that the vision isn't focused too much on the long-term, making the brand a bit 'conservative' and therefore risking to lose out on market opportunities and opportunities to make money. If you still have an honest ambition of delivering a good product that lives up to the brand promise, then I think that there is a lot to gain from that. But of course if you create line extensions only for the purpose of making money but by providing a bad product that doesn't live up to the brand, then there will of course be negative consequences. But not necessarily if you make an honest attempt of launching a brand that you feel might have potential, and that lives up to the brand and has a logic behind it.

And if you're big enough then it seems like you can even make it through brand blunders, like Chrystal Pepsi and the New Coke for example.

Exactly. I bet nobody was really "upprord" by that. Perhaps at the time of the launch some people thought "Oh God, this tastes like crap"..Chrystal Pepsi..what's the point? But then they simply can recall the product, and I don't think that the consumers would remember that for very long. Especially not today when it's very common to have for example 'limited editions' and those kind of things. So it's not that strange to launch a product and then recall it.

Yes that is true. I think we managed to cover all of the questions that we had...

Finishing off interview

Appendix 4

Consumer Interviews

Filippa Strömberg, 23 years old, Social studies student, Gothenburg.

Läkerol

When asking her about the Läkerol case we start up by discussing what a Läkerol is to her. Not surprisingly she answers the pastilles that one eats because of the good taste as well as due to the refreshing effects it has upon the mouth. She had no idea about the line extension of Läkerol producing chewing gums. Yet, she thinks it has a logical connection as long as the taste is the same as any of the pastilles.

Filippa do not see any danger using the same brand name to both product categories. Rather she says that this could be a reason for her to try the new chewing gum as she likes the Läkerol taste. This would have been less of a chance if the chewing gum had a different brand name. She says she would think of the slogan “makes people talk” if she would see the chewing gum in a store. If the company in charge of Läkerol would have given the chewing gum a brand name of its own they would have to start all over again, Filippa thinks.

Porsche

When changing the subject into the Porsche brand and its brand extension the answers are quite different. Her first thoughts when mentioning the Porsche brand are an expensive, good looking, and fast car. The typical person having a Porsche according to Filippa is a mid-aged man in the upper class that wants to show off.

We tell her about the brand extension that Porsche has been doing. She was aware of some of those extensions and she does not understand the reason of that strategy. To Filippa this is a bad way as she thinks the faith in the brand decreases. To her Porsche is an exclusive car, not a perfume that just about anybody can purchase. Also, she says, “*do they even know how to create a good perfume? Does it smell like oil or what?*” The same thing goes with espresso machine, she says. To her a Porsche is something fast. She wonders whether that espresso machine is faster than any other espresso machines. To Filippa the brand extension of Porsche is weird as she does not think it has any logical connection like the Läkerol case had.

Julius Palmqvist, 21 years old, Engineering student, Älmhult, Småland.

Läkerol

The first thing he thinks of when he hears of Läkerol is a licorice pastille. When we ask him about possible line extensions he answers that some kind of candy or sports drinks

would be suitable as he finds those product types connectable with pastilles. Julius says the step should not be too far from the original product type. According to Julius chewing gums seems to be close enough with an obvious connection which he thinks is alright. He can definitely see that people could accept this kind of extension.

Porsche

When we ask him to say what pops up in his mind when we say Porsche he brings up the car 911. This makes him think of great performance and engineering. Again he talks about connection when we want him to speak about brand extension. He considers the Porsche cover design of computer and screens to be perfectly alright as that also can be tied up with performance and engineering.

He did not know about the perfume, and when he found out that Porsche are in that line as well he is a little bit surprised. He expects that the perfume has a somewhat sporty scent. He laughs and says that he comes to think of oil when trying to figure out how it perhaps could smell. Even though he consider Porsche to be a bit more feminine than the competitor car brands he would guess that the Porsche perfume is targeted against male consumers as Porsche originally is a car.

The step towards espresso machine seems to be a bit far in Julius' mind. Sunglasses on the other hand are something that Julius can understand since it is an accessory one can use when driving a car.

Although Julius can accept some of the brand extension he tells us that the line extension to the Porsche Cayenne is the best extension according to him. He guesses that there was a great demand for that type of car.

From Julius' point of view it is always okay to test extensions as long as the product has a good quality. Especially, he says, from a company with the size of Porsche.

Mikael Edmundsson, 23 year old, Engineering student, Västerås.

Läkerol

He thinks of the traditional pastilles when talking of the Läkerol brand. He knew about the line extension and the Läkerol chewing gum, but for him a Läkerol still are the pastilles. To Mikael the chewing gum is just a gum that happens to taste the same as the pastille. He thinks this is alright for Läkerol to do this type of extension as the connection is clear. He even says that he would be okay with Läkerol expanding into almost any type of product. He even mentions tires as such a product that could work. As long as it is not something that one in theory could eat or drink that is bad for the body. A typical bad thing according to Mikael is to have Läkerol T-sprit for instance. That would be extremely confusing, he says.

Porsche

A Porsche is a nice car. It is not a Lamborghini, yet an exclusive car. Porsche touches the upper class, but still it is not too extreme, Mikael says. He knew about most of the brand extension that Porsche has been doing. He considers it to be in order for them to do so. Mikael says that he sees all those products, such as sunglasses and perfumes as a bit more exclusive than many of its competitors in those product lines. Again he talks about touching the upper class as it probably is more expensive. The connection that Mikael sees is the design. He did not know about the espresso machine, but could see that people liking the Porsche brand as well as strong coffee would want to buy their machine as long as the quality is just as good as a consumer could expect their car have.

Mikael understands the Porsche Cayenne as it has been a trend of having driving SUVs, he says. On the other hand he believes it would never work for Porsche if they produced vehicles far away from the premium brand. To Mikael Porsche is still something exclusive no matter whether it is a nice car or a good looking pair of sunglasses, but a truck or a Lada-lookalike is not.

He could buy the Porsche sunglasses himself, but never, he says, would a buy a pair of Volvo sunglasses if there were any out in the market. We ask him what type of products Volvo could produce other than different type of vehicles. His answer is elevators, pumps and other industrial products. He says he does not associate Volvo with coolness or exclusiveness which he thinks sunglasses should be. Using the same logic, he says, sunglasses from Porsche works.

Carl Runsbeck, 24 years old, Environmental studies, Kungsbacka

Läkerol

Carl comes to think of the pastilles when we talk about Läkerol. He knew about their product extension into chewing gum which, according to Carl, is not something drastic. Chewing gum is a natural step he thinks, and far more alright then if they would have been producing vehicles or such. Carl likes to have a clear connection between the product lines that the same brand deals with. Stronger cough drops competing with Vix would also work he says.

Carl's association with the typical Läkerol consumer is a career person always on the run. He says that therefore any generic product that this type of person would need when in hurry would be a proper Läkerol product. As an example he mentions a pencil or similar that is easy to carry no matter where one goes.

Porsche

The Porsche brand gives him associations of sporty cars with power. This is something for those who want to show off and perhaps hide a defect. To him it used to be an older upper class man's car which Carl thinks is one reason why it worked with the Porsche Cayenne.

As he sees Porsche as a far more exclusive brand than Läkerol he thinks it is a bad idea for Porsche doing brand extensions as it makes the brand less exclusive according to Carl. Also the qualitative feeling disappears in Carl's mind. Carl says Porsche should only produce one type of product and try to become the best one in that area. He can see that "Porsche freaks" would buy any product having the Porsche logotype on it, but to him it does not work for an exclusive brand.

Lisa Fåhraeus, 22 years old, Engineering student, Stockholm

Läkerol

To Lisa Läkerol are the pastilles in small purple packages. She knew about the chewing gum, yet that is not the first thing that crosses her mind when thinking of Läkerol.

Lisa likes the fact the Läkerol uses its brand name to other products since she believes people want to buy a product with a recognizable brand. However she says that it would be hard to take just about any product serious with the Läkerol name. On the other hand she considers that Läkerol could and even should be anything that people puts in their mouth. We ask her about orange juice and yoghurt, and her answer to that is positive. On the other hand if Lisa saw a television named Läkerol she would think it was only a PR campaign, but nothing real as she has no such connections between the two product lines.

Porsche

Expensive, qualitative, and exclusive cars are what pop up in Lisa's mind. This is not a brand that poor people purchase, she says. Rather, the typical owner is an upper-class man. When we mention all the brand extensions that Porsche has been doing she hesitates at first saying she does not like it, but when she really comes to think of the products they put their name on she changes her mind a bit. She says sunglasses, perfumes, as well as clothes are products that people can use to show their status to others. Since the car is exclusive and expensive, she says, the other Porsche products can, in their own product category, be that just as well. Lisa believes that if Porsche can show that they know how to produce other exclusive and qualitative products it is just beneficial to the Porsche brand.

David Lindbäck, 23 years old, Film science studies, Luleå

Läkerol

The two main things David associate with Läkerol are the slogan "Makes people talk" as well as the candy-like pastille with its special taste. To him Läkerol can be purchased by anyone having a sour throat that do not like the strong options. He did not know about the chewing gums, but he does not see anything wrong or confusing in that kind of extension, because the two product lines are really close, David says. He means that it

would perhaps have been an even better extension to produce candy as Läkerol tastes better than it actually helps the sour throat.

Any other similar product would be accepted by David. On the other hand he would never buy orange juice or yoghurt with the Läkerol name on the package as the association is a taste of candy.

Neither has he any confidence in any combination of Läkerol and electronic together. However he would consider it would be okay for Läkerol's owner Leaf to create a new brand within the electronic business line. The reason for that is that he thinks most people would not realize that it was the same company that would have both of the brands. David believes associations are important and he thinks this might work in the mind of the consumer.

Porsche

David's associations towards the Porsche brand are a sporty, classic, luxury car with excellent driving feeling from Germany. He says that the German background is important since that country itself has an association with quality, according to David. The "real" Porsche, David says, is the 911 car model. He does not mind that Porsche has produced SUVs as it probably is just as luxurious as the 911 model. Yet, he would rather buy a SUV from BMW than one from Porsche. The reason for that is that BMW to him could be anything with a good driving feeling, while Porsche is sportier. While he accepts the product extension from a small car into a SUV he does not understand the brand extension. The good Porsche feeling of exclusivity decreases, he says, when they put their name on almost any product. "*Having a pair of sunglasses of Porsche is just too much*", he says. The same thing goes with the perfume. However he accepts the Porsche espresso machine as it is the art of engineering which goes along with producing a good car, David says.

If the brand wants to go into other product lines it should have some type of product connection rather than emotional connection, David argues. Preferably though, Porsche should only produce cars, David says.

Amir Shademane, 28 years old, Engineering student, Iran

Läkerol

Being from Iran he has not a clear picture about Läkerol. He knows it is a pastille. As this is the only association he can do with Läkerol he could only see the brand produce the pastille or equal candies. When we ask him about a possible Läkerol television he answers that he is strongly against any type of brand trying to succeed in a completely different product line. To Amir the connection is very important. When we ask him whether he consider any other product lines to be alright he answers that soda might work because of the candy-like taste.

Porsche

Amir's association with Porsche is a car for the young and rich people that like sports. He did not know about the brand extension that Porsche has done. However he accepts some of it because he says there is a connection between the sporty car, sunglasses and perfumes. On the contrary to the Läkerol "*that is just a taste*", he says, "*Porsche is a lifestyle*". He says that is the reason why he accepts the brand extension of Porsche while he is against the Läkerol extension.

Natuka Kvirkvelidze, 22 year old, Economy student, Georgia

Läkerol

We have to inform her of what type of product it is. She does not have the background as Swedish people do and has not the obvious association with the pastille. She says that she therefore thinks it is nothing but positive to introduce the chewing gum into the assortment of Läkerol.

Porsche

To Natuka Porsche is a luxurious car that is driven by a business man or a Hollywood star. She did not know about the Porsche Cayenne although her opinion towards that product extension is positive when she gets to know it is a rather impressive car. She says that any car would be a positive extension as long as it is a luxury one.

She knew about many of the brand extension into sunglasses, perfume, and etcetera. At first she was skeptic towards that extension of Porsche. She says she changed her mind when she saw those accessories were affordable to a lot of people. As these people could get the Porsche feeling of being luxurious she says she started to like it.

She even says she thinks that Porsche could produce anything as long as the product has a high quality and a feeling of luxury.

Sophie van den Arend, 22 year old, student, the Netherlands

Läkerol

To Sophie Läkerol are small candies with a licorice flavor. She knew about the chewing gum, but would prefer that it had a brand name of its own in order to avoid misunderstandings. She also adds that it might be a different thing in Sweden than in the Netherlands as the brand has different strength depending on the market. We ask her who she thinks the typical Läkerol consumer is. Her answer is that it at least is not a child. Rather the consumer, according to Sophie, is an adult having a sour throat with a long for a good taste.

Porsche

Sophie says the Porsche brand is a typical show-off brand. Her picture is a small expensive car with high quality and class. The typical owner is a mid-aged man wearing a suit that wants to communicate his status. She says it is okay for the company to produce a low-priced car as long as the brand name is something else than Porsche. Whenever they put the name Porsche on their products it should always be quite expensive and have a high standard. She has never seen the espresso machine from Porsche, but she expects it to be just as an exclusive one as the cars. Sophie's opinion is that Porsche can produce anything that gives the emotional feeling of exclusivity and high standard. She mentions cell phones, televisions, and couches as examples that would be appropriate.