

CREATING STRATEGIC BRAND MANAGEMENT MANUAL

Case: Tukikallio Oy

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Abstract

The purpose of this Thesis was to create a Strategic Brand Management Manual for the use of a new company called Tukikallio Oy. The manual was composed of the elements that the company wanted to include in it. A qualitative research method was used in collecting information.

The theoretical part of the thesis includes theories about brand building. Brand identity tells what the brand really is with its positive and negative sides, image reflects on what kind of things the consumer associates with the brand. Brand should have meaning to customer, so that it evokes positive responses and can thus establish a strong relationship with the customer. Defining and measuring brand awareness in its breadth and depth is a must when positioning a brand compared to its competitors. Brand mantra can help a company to communicate its purpose more effectively to its customers as well as employees. Building a brand is seen as a constantly developing process that should be updated and assessed regularly.

The focus of this thesis was in building the brand because of the assigning company's situation. Areas of further research could include research about customer - brand relationship and the attitudes, benefits and attributes related to different types of brand associations.

Keywords

Brand, Strategic Brand Management, Brand Identity, Brand Equity

Miscellaneous

Ch. 3. Constituting the Manual, ch. 4. Conclusions and Discussion and the appendix 1, the Strategic Brand Management Manual are inside-company information to be kept confidential until 3.12.2015.

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Tiivistelmä

Tämän opinnäytetyön tarkoitus oli luoda Strategic Brand Management Manual Tukikallio Oy:n käyttöön. Manuaalissa otettiin huomioon ne asiat, mitkä yritys halusi sisällyttää siihen ja tiedonkeräyksessä käytettiin kvalitatiivista tutkimusmenetelmää.

Opinnäytetyön teoreettinen osa sisältää teorioita, jotka käsittelevät brändin rakentamista ja sen hallintaa. Brändin identiteetti kertoo totuuden brändistä hyvine ja huonoine puolineen. Brändikuva kertoo niistä ominaisuuksista, mitä asiakas liittyy brändiin. Brändillä pitäisi olla merkitystä kuluttajalle, niin että se herättää myönteisiä tunteita ja näin luo vahvan, merkityksellisen suhteen kuluttajan kanssa. Bränditietoisuuden määrittely ja sen syvyyden ja laajuuden mittaaminen on välttämätöntä, kun halutaan asemoida brändi suhteessa sen kilpailijoihin. Brändin tunnuslause, mantra, voi auttaa yritystä kertomaan tehokkaasti omasta tarkoituksestaan ja arvoistaan asiakkaille ja työntekijöille. Brändin luominen ja hallinta on koko ajan kehittyvä prosessi, jota pitäisi arvoida ja päivittää säännöllisesti.

Tämän opinnäytetyön pääasia oli keskittyä brändin luomiseen liittyviin asioihin johtuen toimeksiantavan yrityksen tilanteesta. Lisätutkimuksen aiheita voisivat olla esimerkiksi asiakkaan ja brändin välisen suhteen tutkiminen sekä erilaisiin brändiin liittyviin mielikuviin vaikuttavat asenteet, edut ja adjektiivit.

Avainsanat (asiasanat)
Brändi, Strateginen brändinhallinta, Brändi-identiteetti

Muut tiedot
Kappale 3. Constituting the Manual, 4. Conclusions and Discussion ja liite 1, Strategic Brand Management Manual ovat salassapidettäviä 3.12.2015 asti niiden sisältämien liikesalaisuuksien vuoksi.



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1 IDEA BEHIND THE MANUAL

1. About the Company

Tukikallio Oy is a newly founded private company that offers support housing services for people with different degrees of a lowered ability to function. They especially focus on providing service for mentally disabled people, who need support in their everyday functions, but manage to live independently.

Solja Kykkänen and Heli Pietarinen are the two founders and owners of the company. They have both been working as nurses in the field of mental health. Heli has been working for over ten years in different institutes offering mental health services. Solja has been working for almost ten years in above mentioned area and was involved in start-up of a similar company, Kotikievari, a few years ago. They have a common working history at the hospital of Paihola, Joensuu. They started to think about the idea of starting up their own business. Municipalities are demanded to reduce healthcare costs and to integrate different people into the society. Heli Pietarinen and Solja Kykkänen decided to start to offer their service to contribute to this. After some practical arrangements their company started operating in October 2010.

Their business idea is to offer support to clients, mostly sent to them by municipalities and social care workers, and help them to live a normal life in rental apartments in Liperi, Pohjois-Karjala, in the same building where their office is. The individual support planned in advance with the authorities and the resident himself makes it possible to save money compared to care provided in hospitals and it is an easy way to offer support in the daily routine and conversational help when needed.

Tukikallio also offers services of mental health care nurses to customers living in their own homes. The combination of housing support and the mental health care taken to people's homes is a unique combination of services in their field of business at the moment.

1.2 Why Strategic Brand Management Manual?

The author is currently in practical training at Tukikallio Oy. Author's interest in writing this thesis for the above mentioned company was awakened when they asked the author how they could make their brand image clearer and strengthen it. This was also a unique opportunity for the author also, because the firm was in its early phase, just about to start its operations. The author had done some previous project work earlier that included a version of a Strategic Brand Management Manual. The Strategic Brand Management Manual is a tool for a company. It brings into consensus some matters that are worth thinking about and offers different perspectives and ideas about branding and its different elements. One important thing to be included in the Manual was the brand equity and how to measure it. It is a very important factor when defining the value of a brand, especially with a company that offers intangible products, such as health care services.

2. THEORIES BEHIND THE MANUAL

1. The Concept of Brand

A brand is an old term that is derived from the Old Norse word *brandr*, which means "to burn". It refers to the manner that the owners of livestock marked their animals to identify them. According to American Marketing Association (AMA), a brand is "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition." (Keller 2003: 3.)

Defining brand can also get deeper than just choosing a proper name for the product. It can consist of already created brand awareness, reputation, prominence and other positive factors associated to the brand. Thinking about AMA's definition Keller suggests that the name, logo, symbol and other attributes that identify and differentiate the product from competitors' can be called *brand elements*.

They include *memorability*, *meaningfulness*, *likability*, *transferability*, *adaptability* and *protectability*.

Memorability is needed in purchase and consumption situations. Brand elements should be memorable and facilitate recall or recognition. Brand name, logo, symbol or other element should be attention getting and easy to remember. Brand element should also be *meaningful*. A good brand element can offer general information about the nature of the product category or it can communicate specific information about particular attributes and benefits of the brand.

Likability refers to the fact that every brand has associations linked to it. The question is how much do the consumers like the brand element? In case of a less concrete product benefits, it is important that the brand name and other elements capture the essence and the intangible characteristic of a brand. *Transferability* is the ability of a brand to transfer across categories. The less specific the brand name is, the easier this is. Because of changes in consumer preferences, the brand element should be updated from time to time. It is easier to update the brand element if it is *adaptable* and flexible. A brand element should be *protectable* in legal and competitive sense. (Keller 2003: 175 - 180.)

The strength of people's perceptions about a brand can be measured in brand awareness and brand associations that are more closely discussed in chapter 2.4, Brand Equity.

2. Four Steps of Brand Building

2.1. Brand Identity and Image

According to Keller (1993), building a brand consists of four steps: brand identity, meaning, response and relationships. Focusing first on brand identity, it defines what the brand really is. The goal is to achieve brand salience. Identity is the foundation of brand building; it can be measured in

breadth and depth of brand awareness. Awareness can be measured by finding out, how easily customer is able to recall the brand when he is given certain clues. (pp. 75 – 76.)

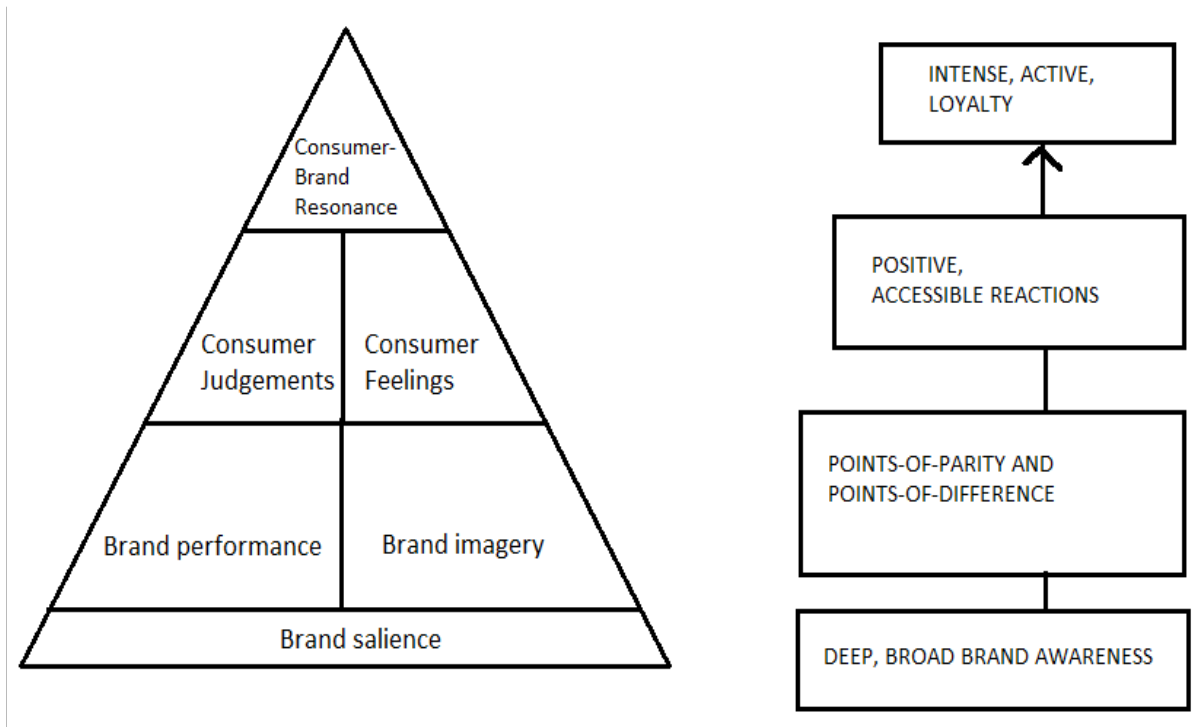


FIGURE 1. Customer-Based Brand Equity Pyramid (Keller 2003:99.)

Brand image refers to the picture that the consumer has of the brand. Kapferer suggests that the brand image is always a product of brand identity, that has been affected by opportunism, idealism, competition and noise and that is interpreted in a different way depending of the receiver of that image (Kapferer 2000:94 – 95.)

2.1.1. Brand Identity Prism

According to Kapferer, brand identity can be represented by a hexagonal prism. In my Strategic brand management manual for Tukikallio Oy I used image that was based on Kapferer's prism to represent six set of qualities that reflect the brand identity.

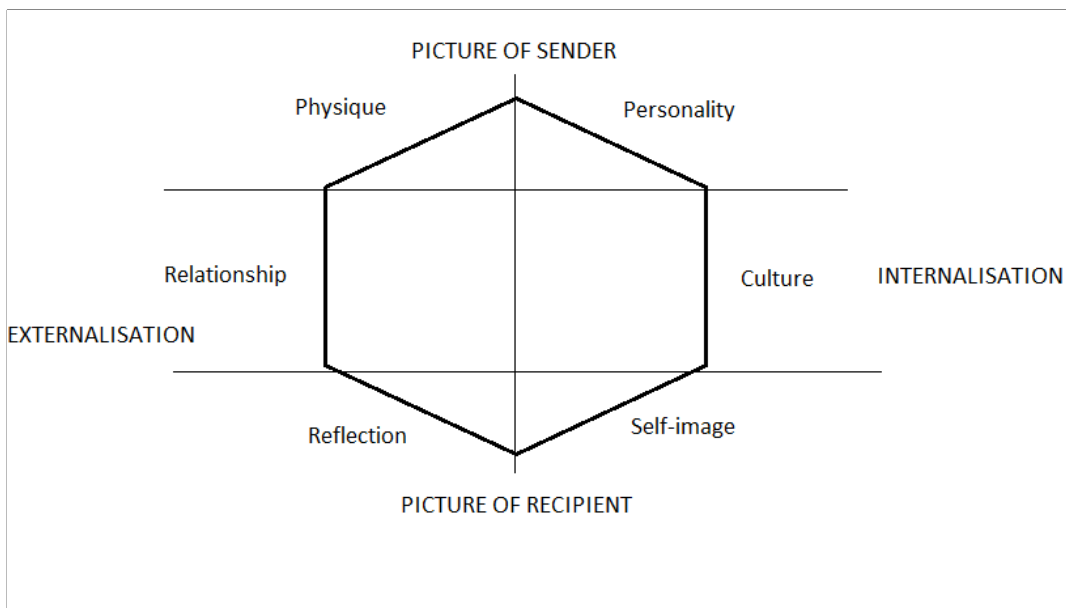


FIGURE 2. Brand Identity Prism (Kapferer 1998:100.)

A brand has *physical qualities* made of a combination of features that come to mind when brand is mentioned or emerging ones. It is the brand's physical qualities; what it is concretely, what it looks like and what it does. *Brand personality* can be associated with a living person and his qualities, or it can be created by giving a brand a symbolic spokesperson. (Kapferer 2000:101) Every brand has its own *culture*, from which every product derives. In this context culture means the set of values associated with the brand. The brand has a *relationship* dimension. Especially in service business the relationship aspect is crucial. A brand is also a *reflection* or an image of the buyer or user which it seems to be addressing. Reflection refers to the image that the customer has of himself after using the product. The reflection should also be controlled. Customer's *self-projection*, an inner relationship with himself is created through his attitude towards certain brands. (Kapferer 2000:99 - 105)

2.2. Brand Meaning

Brand meaning consists of brand performance and brand imagery. Brand performance refers to the ways that a product can satisfy customers' needs in a product category. Brand performance also includes the advantages a brand offers to a customer in addition to its physical or non-physical features. Benefits can be associated with *primary ingredients, product reliability, durability, service efficiency, style and design or price* (Keller, 1993:82).

Brand imagery depicts *how the people think about a brand abstractly, rather than what they think the brand actually does* (Keller, 1993:38.) Brand imagery can be formed directly, from consumer's own experiences with the brand, or indirectly through marketing attempts. A good example of brand imagery is the type of person who uses the brand; his/her age, gender, race and income.

2.3. Brand Responses

Brand response answers the questions "What do I think of the brand?" and "How do I feel about the brand?" Brand judgments focuses on how consumers evaluate the brand according to what kind of personal experiences and evaluations they have of it in terms of quality, credibility and superiority. Another viewpoint of brand responses tells how people feel about the brand. Does it generate positive feelings towards the brand? Keller has listed six important types of brand-building feelings: warmth, fun, excitement, security, social approval and self-respect. The first three types of feelings are experiential, and the latter three types are private and enduring. (Keller 1993:90.)

2.4. Brand Relationships

A strong brand should appeal to both rational and emotional concerns of a consumer to create a favorable brand position. Consumers should be loyal to the brand; they should choose the brand over competing ones. Loyalty is usually the starting point to create brand resonance, but it should be followed with attitudinal attachment or a sense of community for active engagement to occur. (Keller 1993:100.) Marketing-related activities can be measured to what extent they evoke brand resonance. It should also be accepted that some brands have more meaning to consumer than the others.

3. Brand Positioning

It is crucial to find out where the brand stands compared to others. Positioning is the word that includes different elements and tools to measure a brand's competitive advantages. First step is to define a *target market*. Consumers are different, they have different associations about the brand and they seek for different advantages. That is the reason why a brand should divide the market into distinct groups of homogenous consumers who have similar needs and consumer behavior and thus require similar marketing mixes (Keller 1993:120). Segmentation bases can vary according to what kind of person the customer is or the way the customer thinks or uses the product. According to Keller, the consumer segmentation bases can be classified into the following: behavioral base, demographic base, psychographic base and the geographic base. A company should find balance in the segmentation process; the more finely segmented the market, the greater the possibility that the firm will be able to implement marketing programs that meet the needs of consumers in a certain segment. The advantage of a more positive consumer response resulting from a customized marketing program may be offset by the greater costs from a lack of standardization (Keller 1993:120).

As for positioning, the company should define and communicate the competitive frame of reference. It should determine category membership, a class of products or services it competes in. This is especially important when introducing new products to markets. Second, the company

should clarify its *points of parity* and *points of difference*. Points of difference refer to the attributes and benefits that are strongly associated to the brand amongst consumers, which they cannot find in other brands. Points of parity mean the attributes that may be shared amongst brands, they are not necessarily the reason to choose the brand, but if the brand lacks points of difference, it will not be chosen.

Finally, the positioning should be updated over time. New products and product categories arise, competitors and technological environment changes, people's perceptions change – these are all things that can result in changes in positioning.

2.3.1 Brand Mantra

One step in designing the Strategic Brand Management Manual for Tukikallio Oy was to create a brand mantra. A brand mantra is an articulation of the “heart and soul” of the brand. Their purpose is to ensure that all employees understand what things the brand represents to customers. (Keller 1993:150) It also communicates the core values of the company to people inside the company. Keller suggests a good mantra can be broken down into three terms: emotional modifier, descriptive modifier and brand functions. Brand functions describe the nature of the product or service or benefit it can bring to customer. The descriptive modifier further explains the business functions (brand functions) terms. It clarifies the purpose of the business. The emotional modifier describes the way the brand delivers these benefits to customer. Brand mantra's purpose is to differentiate from competitors and to highlight that, what is unique about the brand.

4. Brand Equity

4.1. Consumer- and Company-based Brand Equity

It is important to find a way to measure and evaluate a brand. Jutila suggests that a brand consists of personality that differentiates it from similar products (Jutila 1995:2 - 3). Brand is a product that offers benefits and added values to consumers.

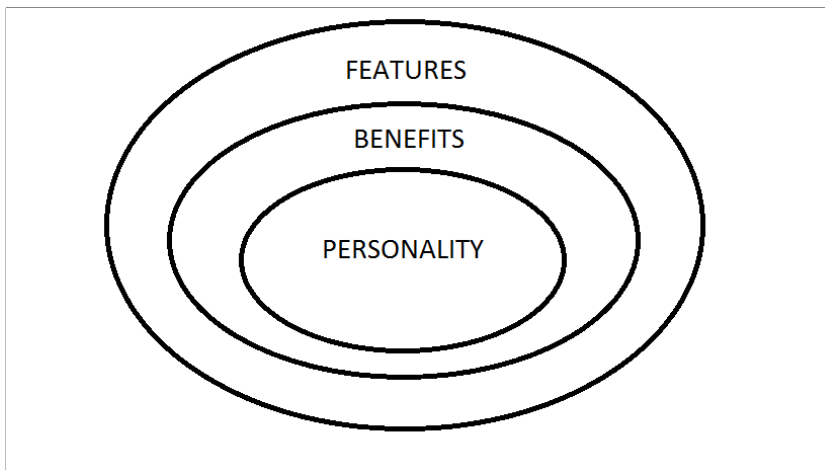


FIGURE 3. The whole of the brand (cf. Arnold 1990:35).

Personality level is the core of a brand. It is the level of identity in Kapferer's brand identity prism. Next layer in the figure Jutila presented is the brand benefits. It consists of those benefits that the brand offers to customers. The last layer around the concept of a brand is features, its actual and concrete attributes.

Jutila divided the concept of brand equity into consumer-based brand equity and company-based brand equity. Consumer-based brand equity is the value of the brand to the consumer; it is a marketing yardstick and a non-financial figure. Company-based brand equity is a financial yardstick and a financial figure (Jutila 1995:7).

4.2. Measuring Brand Equity

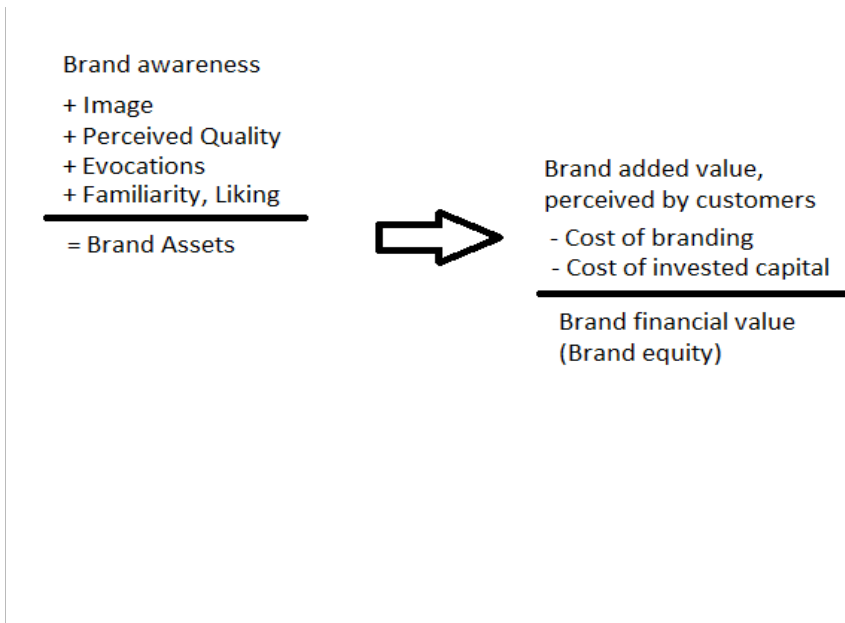


FIGURE 4. From brand assets to brand equity (Kapferer 2000:37)

According to Kapferer, summing up the brand assets (awareness, image, perceived quality, evocations and familiarity) creates brand added value. By reducing from it the cost of branding and the invested capital we get the brand financial value, the brand equity.

In her conclusions, Jutila suggests that the brand's value to the customer is real brand equity (Jutila 1995:20).

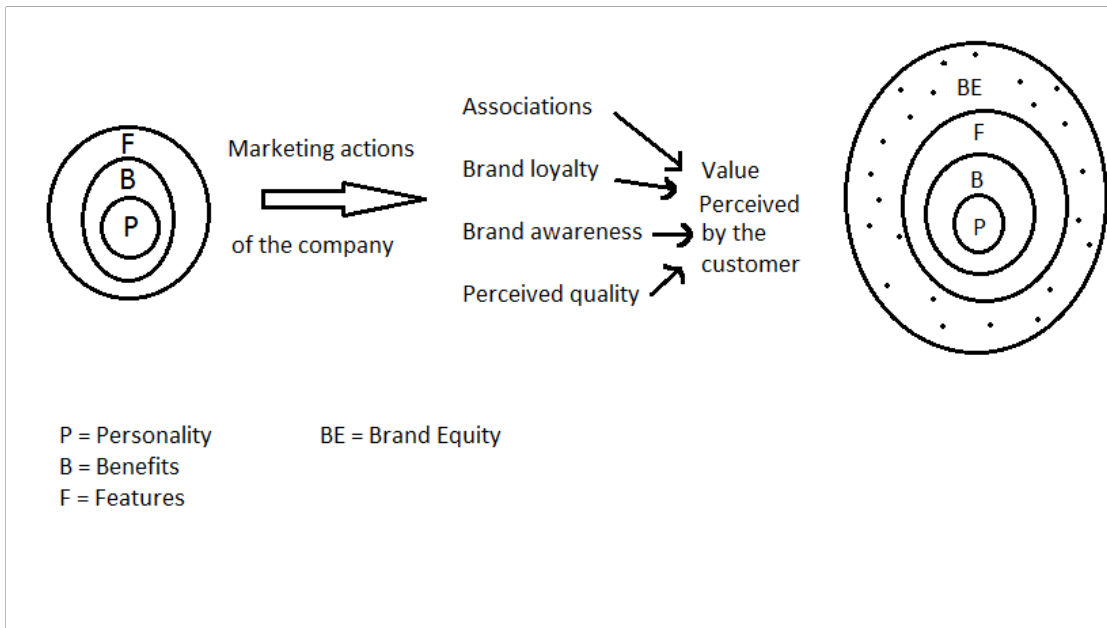


FIGURE 5. The formation of consumer-based brand equity (Jutila 1995:20).

Jutila creates yet another layer around the concept of a brand, the brand equity shell. The thicker the brand equity shell is, the more consumers are willing to forgive possible failures and the brand could remain undamaged. If the brand has no protective equity shell around itself, it could happen that the consumers are not giving the brand another change to correct its mistakes.

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