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Theoretical and Practical Aspects of Brand Building

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Declaration:

I hereby declare that I am the sole author of the thesis entitled “**Theoretical and Practical Aspects of Brand Building**”. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague on September 5th, 2010

Valeriia Kachanovska

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Introduction

History of business practices worldwide has shown that increased competition, globalization and the growing instability of the market environment led to changes in corporate strategy and the transition from a tactical point of view of branding (as activity, brand management) to strategic. Branding became an integral feature of strategic activities, its area of competence includes: brand identity and development; creating an appropriate image and controlling the sequence of these processes. While, in the meantime maintain the same value of daily tactics associated with promoting and protecting the brand competitive position/advantage. Simultaneously changing place and role of branding in the marketing segment of business and strategic management system, as vision and mission of the brand has a huge impact on a business strategy. According to P. Temporal” rational justification for replacing the corporate vision with the brand vision that defines the business strategy, is that brands exist in the minds of consumers and without their emotional attachment they will be marked only by enterprises, goods, services without the image” [36 p. 15]

Against the backdrop of various complications the market environment has become an apparent random nature of branding for many enterprises without using the scientific approach, largely due to unstructured scientific works upon which it can be done.

Relevance of the topic

In a growing number of brands, differentiated packaging and active advertising can no longer provide anticipated sales growth and long-term customer loyalty. Trademarks that are displayed on the market without a detailed strategy in a highly competitive market are doomed, because the functions of brand development and marketing communications associated with different entities are based mainly on product characteristics. Lack of a unified strategy and insufficient attention to research leads to higher costs of the brand and relatively low results. So the problem of selecting relevant concepts arises for many companies, which will be used to develop future brands. This concept should be simple and comparable to the scale of the company.

The purpose and objectives of the study

The purpose of this work is to analyze existing tools for developing the concept of a brand that allow a systematic approach in their design and to propose ideas for improvement of these tools.

Objectives of this work are:

1. Study the basic concepts in the category of branding.
2. Research existing tools for developing the concept of the brand.
3. Define the main weaknesses of existing tools for developing the concept of the brand.
4. Select the most optimal (from the authors point of view) tool for developing the concept of the brand and make suggestions for improvements.

The objective of research: the brand as a multifaceted concept that involves different approaches to their construction.

The subject of research: the process of developing the concept of the product brand and methods for its implementation.

Elements of scientific innovation in this paper are:

- 1) Using an approach based on the model «Who? What? How? », which offers brand development based on three platforms that provide full interconnection between components of the brand and provides reduced development costs by focusing on the brand;
- 2) Approach to the brand as a multi-level pyramid that can trace the influence of each element to its final generalizing idea.

CHAPTER 1

The theoretical and organizational basis for building a product brand

1.1. The concept of product brand and its main components

In today's world, brands are everywhere; in fashion and other industries, services, politics and media. The word brand comes from the Old English word “brand”, meaning to burn, and is of Anglo-Saxon origin. The Etruscans, Romans and Greeks used to claim their ownership by stamping their pottery with the visuals of the fish, star or cross. Brand has its roots in cattle ranching and farming, when farmers used to brand the cattle to claim their ownership over a specific herd of cattle. The word brand was first introduced in the world of advertising in the late 1950s, by David Ogilvy, who created brand-image advertising. [64] So, initially it was used for brand differentiation, helping to distinguish the required product from the mass of similar units. With the development of commerce the word "brand" has become to mean and be applied to separate one's product from the other manufacturer that produced similar products. Thus the brands became the core of advertising, already since the emergence of market based relations. Nowadays the concept of the brand is usually used to designate or identify the manufacturer or seller's product or service. Brands take a unique place in commerce. They can be bought, sold, borrowed or rented, and protected on national and global level.

Currently, there are many definitions of this term. Brand is defined also as "name, term, symbol, design or combination of components used to identify goods and services, and to indicate their differences from competing products" [46 p. 200] and as a tool designed to help customers identify products or services that promise concrete benefits.

It is noteworthy to identify the brand as a symbolic embodiment of complex information related to a specific product. Such information may contain a logo, name and other visual elements. After reviewing the combination of different approaches to defining this concept, we can conclude that the brand is an integral intellectual part of the product that finds expression relating only to this product whether in name or in design and has a stable and strong communication with the customer.

Unfortunately, very often the concept of a brand is identified as a "trademark". This is not correct, since a trademark has a much narrower concept/definition than a brand.

Trademark (TM) - the name, term, word, sign, symbol, design solution or a combination designed to identify specific goods and services of a certain seller or vendor groups and to select them from among other competitors. [10 p. 127] This is a logical concept. It has no particular emotional attachment and serves mainly for a legal purpose. For example like passport data – so and so, was born there, living here, and etc. Every brand is a trademark, but not every trademark can become a brand.

There also exists a concept of a trade sign. It is an officially registered one or more elements of the trademark that has legally binding power. Such elements might be verbal, drawn, imprinted or of any other designations or combinations. Trade signs are a property of the entrepreneur whose exclusive right to use it is protected by law.

Thus, a trademark (or a trade sign) is a tangible asset of the enterprise and serves as an indicator of the product in order to inform the customer about the ownership of the product or a service. A brand is a much broader concept. It is a combination of everything that the consumer takes into account when making a purchasing decision. It is not only a trademark; it is also an association that arises in the minds of the consumer when remembering a specific brand. It is the emotions that brand inspires in the consumer. It is the combination of consumer experience from the very first "touch" of the product. Where the trademark may remain unchanged throughout the existence of a product or a company, a brand is constantly changing, evolving and growing with its customers. [36 p. 46]

By means of a strong brand, the manufacturer can establish strong and positive relationships with their customers.

All Brands can be divided into six main types:

1) Commercial brands (consumer products). This type is best associated with what most people understand as the brand. An example Mercedes, Coca-Cola, Nescafe, McDonalds etc.

2) Service brands (intangible products, i.e. - services). Less common than commercial brands, service brands are more associated with services (intangible products) rather than with something tangible. For example - Virgin Airlines - a typical service brand. You are buying a service, a style of air travel from Virgin Airlines. FedEx, Visa, Citibank, Kodak – These are service brands;

3) Personal brand (i.e. an individual as a brand). This type of brand probably originated from Hollywood celebrities in the past century - Clark Gable, Marilyn Monroe and even Charlie Chaplin. Today's personal brands cover a range of names: the stars of sport (Michael Jordan, David Beckham, Michael Schumacher) and music stars («Beatles», «Grateful Dead», Britney Spears), to business gurus (Tony Robbins, Tom Peters, Steve Jobs, Bill Gates, Richard Branson and Donald Trump etc).

4) Organization brands (corporate brands, charitable activities, political parties). More and more brands transgressing the boundaries of goods and services and apply to categories of organizations (organization as a brand). WWF (Panda), Microsoft, Apple, Virgin and Sony - they all accept the concept of brand as an important part of corporate policy;

5) Event Brands (concerts, tours, car races). This type usually consist of sports or art events that are promoted and recognized as independent brands (Super bowl in baseball, Olympics games, Formula 1);

6) Geographic Brands (countries, cities, resorts). The growth of tourism and leisure industry as well as travel has influenced the creation of geographic branding (i.e. ski resorts in Port de Soleil, sunbathing in French Riviera, Ibiza, Davos, Gstaad, Monte-Carlo and etc.).

Everybody knows that each person has its own unique genetic code that carries in itself a complete set of hereditary information. In the same way a brand has its own DNA, so to speak, an aesthetic code, which makes up a certain personality and a symbolic value of the brand. Let's consider which components can form a brand.

All elements of the brand can be divided into two main groups:

- 1) The rational elements. They are focused on the content of brand communication, its proposals and promises. They explain to the consumer what this brand can do for him/her. These elements are perceived by logical reasoning.
- 2) Emotional elements. This is, so to speak, a "feeling" of the brand, which is its expression directed to satisfy the spiritual needs of the customer without affecting the scope of rational reasoning.

Graphically, the elements of the brand can be presented as follows:

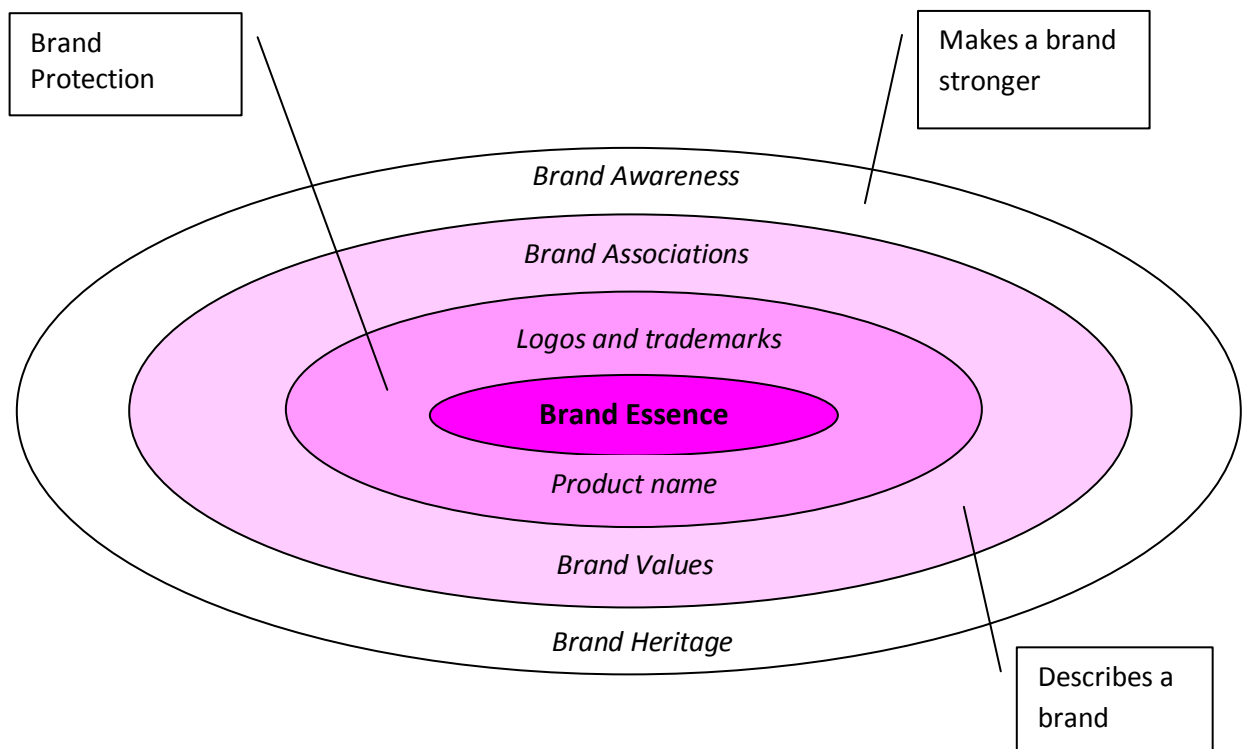


Fig.1.1. Structural brand elements [40 p. 256]

A properly constructed brand has a multifaceted structure. In the very "heart" of the brand is its essence (Brand Essence), upon which other elements gather.

Let's consider each of them in greater detail, beginning with the *essence of the brand*. It is a certain unchangeable characteristic that can be derived from the product or be formed depending

on the mission and goals of the company that owns the brand. Typically, the essence is expressed in one sentence and determines the category of business in which the brand operates in (perfumes, cars, chocolate) and how this brand is any different from all others within this category. It should be logically formulated and easily understood. Every word that is used to transmit the content of the brand must be clearly designated and appropriate. Correctly formulated essence allows the brand to effectively build a communication with the consumer, as the latter will immediately understand what the product is about and how it differs from others. [40 p. 251]

In the main content all elements come together such as logo, product name and trademark. These components allow you to protect the brand from competitive forces in the market. This is one of the key elements of any brand. It is the means for the consumer to distinguish the necessary product from others. Also, in this stage the color scheme, the brand style and possible musical accompaniment is identified and determined. These elements are also patented or registered in order to protect the products against counterfeiting and product competitors. Companies define specific rules, standards, by which these elements must be used in all types of communication. Compliance with these standards is essential in building a strong brand, because it creates a positive impression of stability and respectability.

Brand Associations - is anything that is connected with the brand in the memory and human consciousness of an individual. Typically, associations include the perception of the brand quality and attitude to it. For many consumers image that is formed in their imagination and how it is positioned is more important than the actual product characteristics. There are at least five major associations, distinguished by the customer that can be used for brand positioning:

- 1) Customer benefits - this kind of association is related to the benefits that this product presents for the buyer. For example, protection against cavities when buying toothpaste. This benefit can be both rational and emotional. Rational benefits will be closely related to characteristics of the product and will be part of "rational" decision making process to purchase (for example, when buying a computer the benefit will be the ability to work at home). Emotional benefits associated with feelings and that will occur with the purchase and exploitation of the product (for example, when buying a computer a person may experience a feeling of high professionalism). Also, the buyers benefit might have a self expressive character. That is, a brand

might help the buyer to communicate his/her unique image and personality to those around him/her. For example, buying a car brand such as Mercedes Benz, a person positions himself/herself as a successful and authoritative figure.

2) Product Attributes - These attributes refer to the characteristics of the product, which in turn relate to the rational benefits from the purchase. When targeting the positioning of the brand through the product attributes it is necessary to understand what characteristics are important to target audience of the consumers. This should be an important feature for buyers and should not be used by competitors.

3) Usage – It is possible to build a brand associated with its specific manner of use or with a specific type of person who uses that product. Such directions of association are often used by beer producers, showing how their product is consumed in fun parties or by powerful men. The classic example of successful use of such associations is cookies “Oreo’s”. For this brand a special “ritual” of eating cookies was invented: "Twist" - "Lick" - "Dump", which means that cookies need to be "twisted", to split it into two halves, lick the inner layer of fudge, soak cookies in milk and only then eat it. This "ritual" is still displayed in all advertisements of “Oreo’s” cookies.

4) Celebrities or famous individuals - Sometimes to correctly position a brand a celebrity is used whose image is associated with the brand. Thus the brand acquires associations, which have been previously associated with the famous person (reliability, fashionable, strength, experience, etc.)

5) Country of origin - A brand can be associated with the country of its origin. Thus the image of the country influences market perception of the brand (as positive or negative). For example, we believe that best watches are Swiss, best cars are German, best cigars are Cuban and best coffee is Brazilian.

Brand Values – is a combination of rational, emotional and social values, which people associate with a given brand. It is, so to speak, a code of rules, by which the brand “lives”. When we say Volvo, we mean safety. When we see a BMW logo, we think of prestige. This is because these values are the essence of these brands. When making a purchasing decision we pay attention to what this brand stands for and what it represents. In order to create brand value we can use two

approaches. The first approach involves the allocation of a certain group of consumers, whose values coincide with pre-defined values of the brand platform. The second approach involves selection of potentially attractive group of consumers and forming the platform based on the aggregate values that are important for this group. [40 p. 257]

Brand Awareness – it is the ability of the consumer to recognize a certain brand and be aware of its existence. Creating and improving awareness of the brand is a key objective for the company in the market. Brand awareness serves as the basis on which the interest to the brand, desire to try and the act of purchase are being created. There are two different types of brand awareness: *aided brand awareness*, when respondents are given a brand name and he/she has to answer whether or not he/she has heard of it previously and knows of it without any helping clues (unaided brand awareness). Unaided brand awareness is tested when a respondent is asked to indicate the most known to him/her brands in a certain category and he/she indicates the first 2-3 names that he/she remembers. Brand awareness without any helping tips are considered to be the most valuable indicator, as those are the brands that consumers will remember during the poll taking, and he/she will most definitely remember them at the moment of purchasing decision making. Brand recognition is a tool to determine the value of the brand.

Brand Heritage, the experience and reputation that the brand has acquired during its existence. Usually, inheritance is based on advertising and consumer experience with the use of the brand. A positive reputation over the years of a trustworthy and high quality product/service creates a great credibility and loyalty to the brand from consumers.

Various components of the brand perform specific functions, but they are all closely related and linked to each other. Logo, name and trademark protect the brand from competitors. Association and value create a certain image of the brand and its purpose in the minds of the customers. Recognition and inheritance make it a strong brand.

Among the marketers, there are both supporters of the use of brands as a basic concept of

operation of marketing functions, and those who believe the contrary. However, in using the brand there are benefits to both consumers and manufacturers.

Using a brand as a concept of building a product policy has a number of its advantages. First of all the brand allows to generate additional income. We're not surprised when a bottle of non-alcoholic drink made by a local producer costs 1.5-2 times less than a bottle of the same capacity, but from a world known producer. We understand that this is a fee for popularity, quality, and advertising. So, despite the fact that often the local products that cost much less are no different from expensive goods made somewhere beyond seas, many consumers are willing to pay extra, so-called "premium" price for the opportunity to possess what they want.

Secondly, the brand protects the manufacturer in the process of working with partners. Manufacturers that produce brand-less goods totally depend on the seller, because the seller does not care who he/she originally buys the i.e. shampoo from. As even if tomorrow the shop will need to refund the money for the bad quality product and terminate any partnership with this producer there will be another 5 producers to replace him. It is a totally different case, if P&G offers a shop realization of the brand Head & Shoulders, this product is advertised and is perfectly packed. Buyers come into the store just for this product. This means that the manufacturer offers the store to sell such product on which the seller can earn quickly and with minimal overhead cost. Therefore, the shop is interested in this product. Thus, the strength of the brand helps the manufacturer to dictate the terms on which it will cooperate with the store.

Brand significantly facilitates the procedure for consumer's selection of goods. Today in a decent shop there are several hundreds or even thousands of SKUs (Stock Keeping Unit). Bright, noticeable, attractive bottles, boxes, tubes presented on the shelves, covering one another, and confusing buyers and sellers. In order to facilitate the selection process of goods, the product must attract the buyer by immediately setting themselves with an ("I'm here") message – this happens to be one of the most important and difficult tasks of the brand. Brand also guarantees the quality of product/service to the buyer. He who once tried one or another brand will not hesitate to purchase it again. [15 p.126]

A brand distinguishes the manufacturer and its products from those of its competitors. Since most companies that manufacture consumer goods, are not limited to the issuance of one or two more types of products, then another problem facing the brand occurs - a reference to the manufacturer. Consumers, who purchased any goods, tested them and were satisfied with the quality, will definitely make a note of the manufacturer, and next time will try to buy products of the same manufacturer.

Brand usage facilitates the entry of the manufacturer with the new goods to the new related markets. For example when buying the after-shave produced by Gillette, the consumer usually does not stop to think about the quality of the product – he completely trusts the company. But it should be noted that the original trust emerged as a result of positive experience of using other company products, which occupy a niche different from skin care products i.e. shaving system Gillette. Thus a company that has created a brand in one niche of the market can spend less on advertising and promotion on other product in other niches as such products are usually complementary.

The company gets the opportunity to invest in the future. If the manufacturer produces a drink "lemonade" and puts money in the "promotion", in 10 years he will be surprised to find that the fruits of his labor are equal to zero, because, neither the name of the drink nor its packaging initially told anything to the buyer. Any competitor will easily take over the buyers on to their side if they offer them a delicious drink of the same name for a lower price. People don't want to drink just any "cola", they want to drink Pepsi-cola, although there are plenty of American manufacturers producing "colored" soda drinks. However, if the manufacturer creates a good drink with original packaging and name, then the future investment in product development will be protected. Year after year the company will gain more and more consumers, and eventually may reach what some international companies have achieved, whose brands and trademarks are valued higher than all of their material assets combined.

Brands develop whole new areas of production and create new product categories. Nike, Disney, Apple, Xerox - are brands that have developed a whole industry in which they work. Apple has

not made a revolution in the computer world, computers existed before Apple. They showed that each person can individually become more informed, modern and more productive. Disney went to every house and brought in fun and entertainment. Nike, as a leader in the sportswear and shoes market, has offered new ways in working with athletes. Nike first started thinking about how an athlete is doing his/her job, what he/she thinks about and what do we think of those athletes, what will happen to this sport in the future and finally what do we think of ourselves when striving to achieve a new peak in our life. Xerox – the most known brand that has not only initiated the new generation of office equipment, it gave it a name that will remain in people's minds for a long time as every time we speak we say “Xerox it” instead of “copy it”.

Finally, the brand provides an emotional connection to the buyer. Large companies that created big brands have long understood that the only bridge that connects their products to consumers, are emotions. Emotions run most, if not all, of our actions. [17 p.198]

1.2. Scientific and methodological tools to developing a brand concept for a product

The process of creating and promoting the brand on the market to develop long-term awareness and credibility is called branding. For the past 10 years branding has distinguished itself by separating into a totally new direction of marketing activity and has become a marketing foundation. It involves concept creation for the new brands as well as continuous work in supervision, support and development of the existing ones.

There are many schemes under which you can build a new brand. They all boil down to using one and same set of means by which the concept of the brand is formed. Most common scheme is where the process of developing a brand product is divided into five parts.

Part 1: Analysis of the market environment and target audience.

At this stage the market research is carried out to study the trends that have occurred to determine the main competitive forces over a certain period of time. Analysis of economic performance over the past five years identifies the main factors that influence the market. Also, before scheduling the production the new product must be evaluated. Collecting information about

consumers in the market and its segmentation, according to various parameters (demographic factors, lifestyle, and personal characteristics). Selected segments are analyzed in terms of their attractiveness for the company and then for shaping the future of the brand. It is very important to acquire adequate and complete set of information. We must understand who will buy the product and who will act as an advisor/influencer. The marketer should be able to freely navigate in the processes occurring in the market and understand cause-and-effect relationships. He/she must know who their target audience is, what are their needs and requirements for the product, and what is most important and relevant to them in this segment. At this stage the brand is presented with the main business objectives, such as: market share that the brand must acquire, sales level, and profitability of the future product.

Part 2: Building a brand positioning strategy.

In order not to miss any details at this stage, the marketer must use a specific set of questions (survey). After acquiring answers to which, it can safely be said that this phase is completed and it is now possible to move to the next part/level. These questions should be as follows:

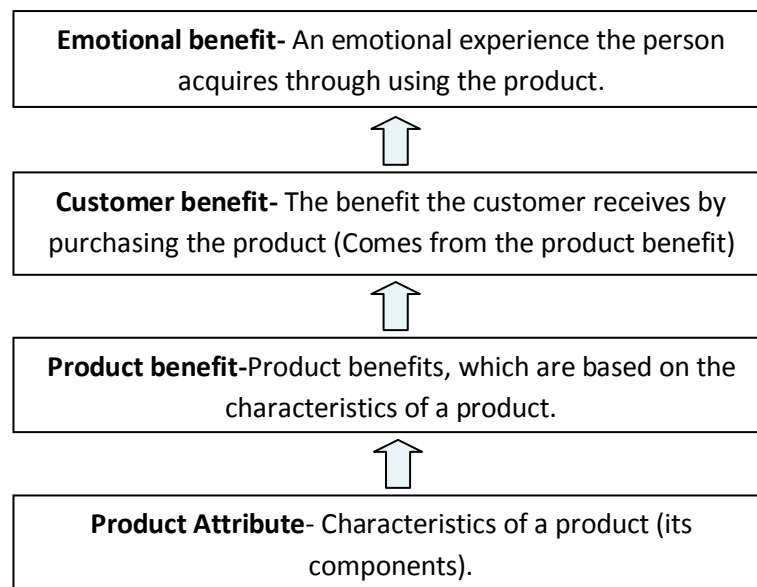
1. Who created the brand? Who is the target audience?
2. What benefits the consumer receives from a particular brand?
3. What should it promise to the target audience?
4. How to create a promise to consumers?
5. Against which competitive products is this brand used and from whom it must protect its manufacturer.

In fact, positioning is the process of determining the role of the brand in the market. Positioning helps to determine different features and competitive advantages that distinguish the brand from other competitors. At this stage the essence of the brand is created, the main message that the brand will communicate to the consumers. Practically, this message is formed by the following scheme:

"For consumers X, the brand Y is the brand that contains relevant category of products or services, and states the main superiority of the brand among its competitors. For example: "For consumers aged 20-40 years with children, "Milka" is a chocolate brand that brings the gentlest

pleasure because it contains the milk from the Alps. As a result, the target audience is determined, to which the brand, category of relevant products and services is directed at, and the superiority among the competitors is established.

When developing brand positioning strategies a Benefit Ladder tool is used. With this tool, brand positioning is divided into four levels:



Graph 1.2. Multi-leveled structure for building brand positioning

The first 2 levels are related to the rational benefits, while the last two levels are related to emotion benefits. While establishing positioning using this tool, you need to remember one simple rule. Each subsequent level should be logically connected with the previous one. It is not difficult to verify by simply inserting the word “THEREFORE” between each subsequent level. If the levels can be connected with the help of the word-link, then everything is formulated correctly. For example, positioning “Milka” chocolate can be broken down as follows: Alpine milk that comes from mysterious world of Alps (product attribute) THEREFORE the Chocolate is delicate, so much so that it melts in your mouth (product advantage) THEREFORE the consumer receives satisfaction from the most tender chocolate (customer benefit) THEREFORE he/she gets this feeling of innocent and pure happiness.

Developing positioning at all levels; the manufacturer receives a long-term development strategy for their brand. Initially when the brand is new and not familiar to consumers it is appropriate to focus on the level of benefits of the product or its attributes to the consumers as the consumers have no idea what exactly these useful components are. For example, in order to explain to the consumer why toothpaste with fluoride prevents cavities, we first must explain to them what the benefits of fluoride and its properties are. If the consumer does not understand what the benefits of the product are he/she will not understand the benefits of this brand. [13 p. 197]

Part 3: Development of the brand image and its basic attributes.

Upon determining the target audience, its needs and wants, formulating the strategy, which will position the brand, we can navigate to a stage of brand image creation. It is at this level that the name of the brand is selected, the style of the presentation is chosen to reflect how it will be accepted by the consumers and the brand associations and values are integrated. Typically, this step requires involvement of professional advertising agencies that have extensive experience in building brand image. You must not forget that every element of the brand, developed at this stage is in harmony with others, and emphasizes and reinforces the main message of the brand, its essence.

At this stage, it is very popular to use the tool called *Brand Building Choice Wheel*, which is a list of all possible attributes that can be used when building a brand image (see Figure 3).

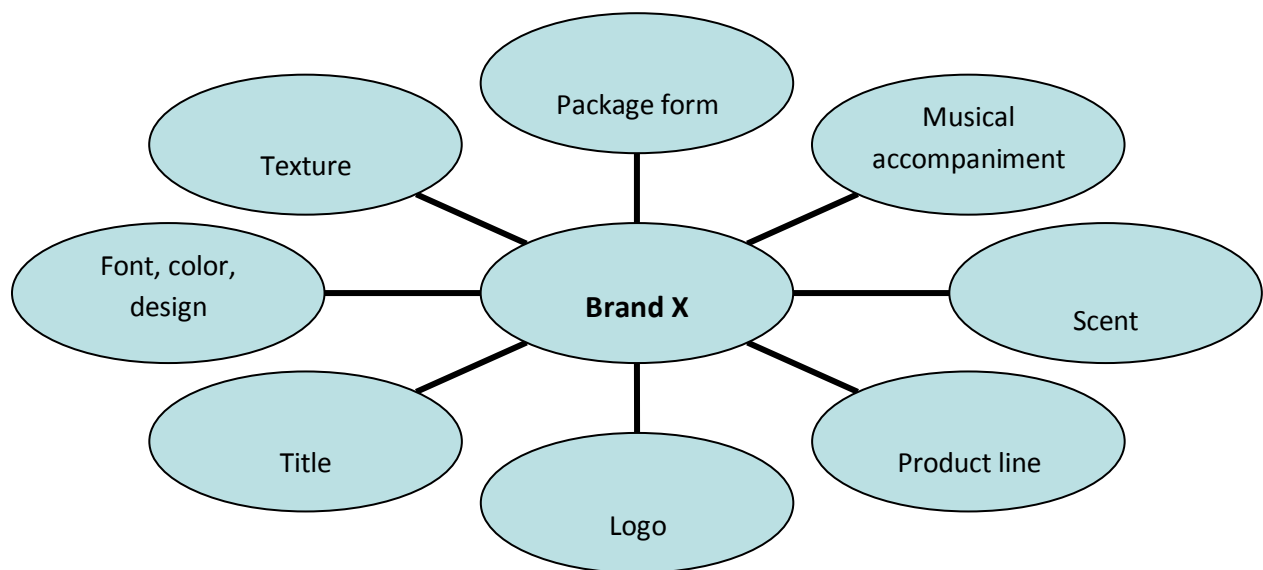


Fig.1.3. Brand attributes [40 p. 258]

As shown in Figure 3, when building a brand image with the help of the imaginary circle, it is possible to identify key elements of future brand image. Also, this tool lets you see all favorite elements together in order to avoid dissonance between the individual parts (not necessarily to use all the listed elements). It is enough to use only those elements that are thought to be the most necessary and appropriate according to the creative team.

Part 4: Brand testing.

Before you introduce the brand into the real market you must conduct a series of trials and tests in order to identify possible shortcomings or missed aspects. Typically, create a focus group, where you get consumers to assess the attitude to the name, logo and design as well as to the brand novelty. Also using the focus groups helps determine the approximate price that consumers are willing to pay for this brand.

The concept is evaluated according to the percentage of the respondents: interested in this offer, ready to buy this product, willing to purchase this product at a specified price, consider this proposal as new and progressive; advised to purchase this product to your friends, consider price / performance ratio the best, consider the price inflated, consider the offer undervalued and so on. If a team is developing several parallel concepts of product brands, among them, they must choose the one that most successfully passed the test.

Part 5: Launching a brand on the market. Launch result analysis.

At the final stage the concept is brought to life by launching the brand in the real market. For this, every time thorough and detailed plans to promote the new product are developed. After a certain period of time an analysis is carried out to see how the new brand is performing in the market conditions. As a rule, some conclusions can be made during 3 – 6 months since the launch, after the effect of the novelty of the product wears off. Based on the results the existing promotion plans are adjusted accordingly.

The present scheme is actively used by both foreign and local companies that lately emphasize more and more the role marketing plays in the operation of the company and the success of the use of branding. However in the world there are two global approaches that are distinguished to creating a brand: A Western (Anglo-American) and Eastern (Japanese) models of brand management. Western approach pays special attention to psychological characteristics of the brand and its differentiation. Eastern approach involves investment in corporate brand.

In terms of American marketers, major manufacturing company, should be hidden from the end consumers. This approach does not allow you to spread the brand to other products, but extends the range of merchandise. This is related to the fact that when laying down traditions of brand management in the West a “Theory of free standing brands” was created and developed. This strategy is still the most distinctive to Anglo-American system of brand management. In practice, it looks like this: the company produces several products or product lines that are positioned independently of one another and from the manufacturer. Creating a new brand with such approach is a long-term investment. In the first few years of its life the brand requires substantial funding, both in production and in promotion. This way the brand becomes profitable only after a few years, when the customer gets used to the product and begins to trust it. However it is very difficult to predict whether or not the launch of the new brand will be successful therefore the company faces high risks.

In the East a different concept is accepted – a concept of corporate brand. In fact, in Japan a product trademark without guarantees of the corporate brand would not be bought. Historically, it was established that at the times of active market developments in 50's and 60's, during the price wars, consumers started paying special attention to product quality. At that time, as today, the required quality could only be provided by the companies – manufactures that had substantial capital to invest into R&D. Therefore, the western system approach to the brand when a buyer does not know the company manufacturer of the product, totally contradicts Japanese mentality when the quality of the product is proportional to the assets of the manufacturer. Then, in Japan and later throughout Far East a new brand management system was formed. The main value in Japan is the corporate image. For example, under the brand of Sony televisions, camcorders, PCs,

MP3 players and many other technological products are sold. The Sony Corporation brand is an "umbrella" for sub-brands responsible for different product lines (i.e. Sony Walkman, PS3, Bravia Televisions, VAIO and etc.)

In the 90s the integration of Western and Eastern approaches to brand management took place. Japanese companies began to introduce a system of brands that are independent of each other (i.e. Corporation Toyota independently positions brands of Toyota and Lexus). At the same time, many European companies like Philips and Bosch, promote their products only under the slogan of their corporate brands. The last 10 years have seen a significant shift from independent brands to corporate ones. This is due to rising costs of creating and maintaining a separate brand. According to the estimates made by the experts, to launch a new brand today in Europe, USA and Asia, costs around €1-1.5 billion. Along with the increasing influence of global trade networks, such costs pose big obstacles to independent brands in some markets. Thus, it becomes clear why more companies are paying their attention on maintaining a corporate brand that can serve as "umbrella" for various product groups.

However, each of the listed approaches has positive and negative features. One of the advantages of the western system is the insurance against mistakes. If a poor quality product is launch onto the market it will not be reflected on the sales of offer brands and the corporate image of company overall. Japanese approach allows companies to deal with competitors more effectively and with the help of the corporate name launch new products and services in other segments of the market.

Building a new brand is hard and demanding work that requires knowledge of many nuances and the presence of certain instincts, gut feeling that marketers must possess. Creation of the brand is also a creativity based on the knowledge acquired from different fields/areas of expertise (knowledge of legal issues, human psychology, etc.) that help to take broader look at the task and become more open-minded and see the bigger picture. [59]

1.3. Realization Mechanism of the Brand Concept

The create brand concept of the new product is implemented with the use of promotion or the fourth P in the market mix. Lately the term of "marketing communication" has become very popular although it is almost identical in definition to promotion. It is a combination of certain approaches to transmit information with the help of which the connection with the target audience is established and can be used for any occasion. However, "marketing communications" is somewhat broader notion, so they include corporate communications directed to the company's image, while promoting communication with buyers about the product. Very often brand promotion is confused with advertising. This is not correct. Advertising is one tool with the help of which the communication with the consumer is carried out. It is a part of the marketing communications tools. [40 p. 4]

One of the fundamental concepts that help in the understanding of marketing communications is the principle of how the communication process occurs:

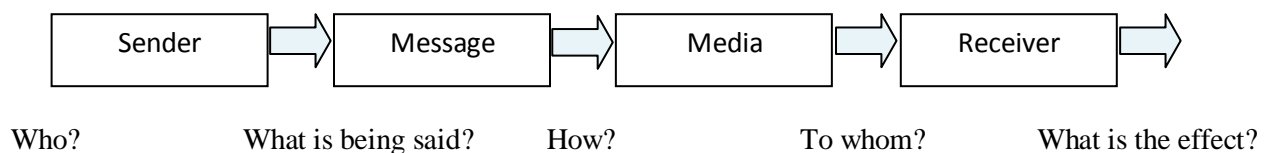


Fig.1.4. Sketches of the communication process

This scheme is the basis in any model of marketing communications. The sender creates a message, which is based on information and experiences and, which he wants to communicate. Media is the means and channels used to transfer messages. There can be many channels (radio, TV advertising, personal selling, sponsorships, etc.) but it is impossible to transfer the messages without them. Receiver is the one at whom the message is directed at, the target audience of the sender. The main marketing task is to ensure that the process is successful, that the correct people receive the necessary message.

As mentioned above, at the basis of any marketing communication model lays a foundation scheme of implementing any sort of communication. However, the model below slightly expands and complements this scheme:

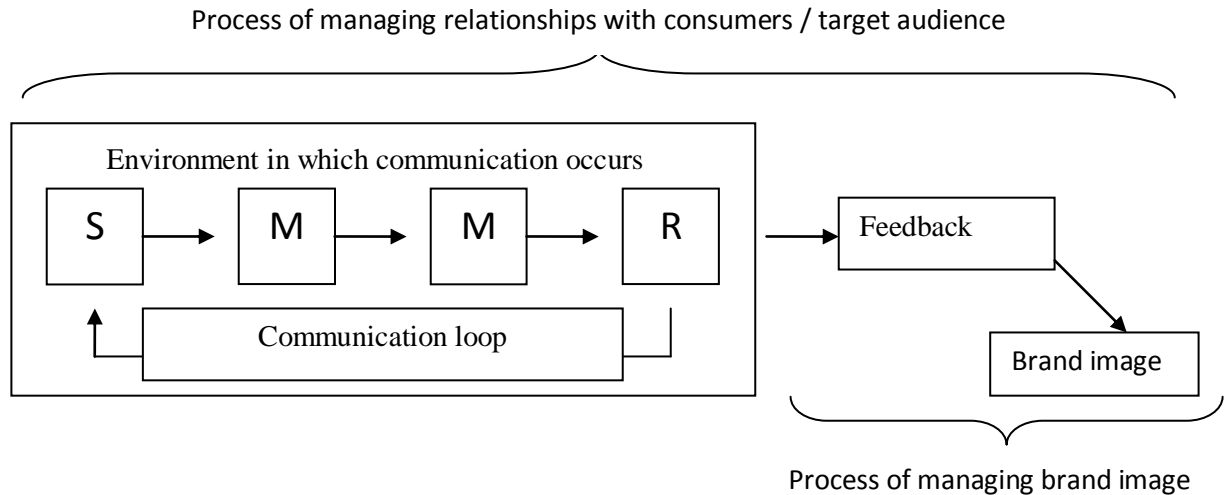


Fig.1.5. Enhanced communication process scheme according to the concept of marketing communications

As seen in Figure 5. The following elements are added to the standard communication model:

- 1) Environment in which communication occurs. Consist of several macro-environmental and micro- environmental factors. It can create a so-called noise, which distorts the message and makes it difficult for the receiver to decode.
- 2) Communication loop. In the process of transmission there may be problems with decoding and encoding of the message and information can become distorted due to the noise. However, any two-way communications is a process that requires feedback. The communication loop is a reflection of this connection.
- 3) Feedback. It is the attitude, associations and behavior according to the communication.

An important role in transmission of information plays different delivering channels (media). These practical tools are designed to implement the brand concept. In general, all means of communications can be divided into four categories:

1. Advertisement
2. Personal Sales
3. Promotion
4. Public Relations (PR).

Advertising is any sort of mass form of communication that is executed with a help of paid channels of communication, with a clearly defined source of financing. Advertising serves many different functions that are directly dependant on the goal that the client is pursuing when developing an advertising campaign. First, advertising should provide awareness among the target audiences of the existence of the advertised product. Advertising may inform consumers about product benefits and its superiority to others, to induce the purchase or simply to remind about the product. The main benefits of advertising are:

- a) The ability to simultaneously cover large number of audiences;
- b) Ability to reach large audiences more selectively;
- c) Has a relatively low cost per unit (usually cost per thousand persons);
- d) Allows relatively frequent repetition of the message;
- e) Helps create the necessary brand image.

Unfortunately advertising is a one-way means of communication without much feedback and mostly appears as a monologue from the sender rather than a dialogue with the target audience.

The main objectives of advertising are as follows:

- 1) Draw attention from a potential buyer;
- 2) Present the buyer with the benefits from the purchase;
- 3) Provide the buyer with opportunities to study the product further;
- 4) Form a certain level of knowledge about the product in the customer's mind;
- 5) Create a favorable image of the company-manufacturer;
- 6) Create the need for this product;
- 7) Create a positive opinion about the company;
- 8) Encourage clients to purchase the advertised product;
- 9) Stimulate sales;
- 10) Accelerate product turnover;
- 11) Build customer loyalty;
- 12) Create an image of a trustworthy partner in the eyes of other firms;
- 13) Remind consumers about the company and its products.

Let's look at six major advertising means:

1) **Television**. It is a basis for most national advertising campaigns, to simultaneously transmit a message in sound, color and motion. On television advertising can demonstrate the correct use of the product and relate it to certain sign or symbols. Television covers the largest share of population in developed countries. However, not all the TV commercials are successful; its performance will depend directly on the content. The time of the day when the commercial is shown to the viewers also plays a vital role. First of all, the largest audience gathers around the TV screens in the evening, that is why those advertising clips that are shown in the morning or during the day on the weekdays are less likely to be seen. Although, this does not mean that these commercials shown in the evening will not be repeated in the morning. The key to the success of TV advertising – is its frequency and repetition. It should be repeated until it is immediately recognized from the first sound, and even to the point that it becomes irritating. Lots of repetition establishes strong associative links between, for example, health and vitamins “Multi-tabs”, cleanliness with detergent “Mr. Muscles”, food and restaurant “McDonald's”. As a result, a person wishing to satisfy their needs buys the advertised product because this product is associated with the satisfaction of that need.

Unfortunately, television is one of the most expensive means of advertising and it can only be afforded by large companies with extensive advertising budget.

2) **Radio**. Unlike TV, radio allows more flexibility to cover a greater range of target audience. Necessary information can also reach those people who have no access to television (for example, while the person is in the car). In addition the fact that radio is accepted as background sounds, this only strengthens the effectiveness of radio advertising, as it works mainly on the subconscious level. In the case of Radio advertising, it is important to time when the broadcast takes place in the advertising block, different characteristics of voice and background music, the presentation and, of course, the content of the advertisement. The expenses associated with advertising on the radio are much smaller compared to that on television.

3) **Advertising in the press (magazines and newspapers)**. This method of advertising has its advantages. On the one hand, known publications have large circulation and therefore have very

large degree of coverage to the target audience. Also, advertising in the press has a very high degree of responsiveness to quickly fix a possible error in the message. Advertising in magazines may also attract the attention to the inadequate presentation of the message. It is possible to use bright textured flyers and large advertising posters. In the case of advertising in press, publication's frequency as well as ad placement and its overall appearance play a specific role. It is very important that the ad publication was not a onetime thing for the same reason as in television and radio, the ad must become recognizable.

4) **Outdoor advertising.** This usually involves use of special billboards and/or possible advertising on public transportation, bus stops and other unusual places. When planning the placement of the ads on specific boards, a special address program is created. This includes areas where billboards are located, the traffic flow, cultural spots and leisure facilities nearby. For instance, with a limited budget but a goal-to reach a large audience, the organizers of the lottery "Bingo-Boom-Lotto" have solved this problem very easily. They have placed their advertising on billboards, which stood at the entrance and exit of all bridges across the Dnipro River in Kiev. Thus, a correct approach to creating an address programs allows a more effective use of the company's advertising budget.

5) **Direct Mail.** One of the most expensive means of communicating the advertised message. However, there are a number of advantages. First of all, by creating an address program to which all the advertisements will be sent, it is easier to control a higher most appropriate coverage of the desired target audience. Secondly, this means of communication may provide a stronger feedback and be used not only to transmit messages, but also to get feedback from customers about the product.

6) **Unconventional methods.** Due to congestion of traditional advertising methods and with messages sent from many producers at once, there is a need to use unconventional methods to deliver messages to consumers. Among the most popular of these, is advertising in movie theaters or on recorded films that people buy for home viewing. Which unconventional method to

use to transmit the information is up to the producer decision? One of the main advantages of using alternative approaches is the likelihood that your message will be noticed and remembered.

All means of advertising are divided into two categories: ATL (above the line) and BTL (below the line). It is believed that these two concepts were first used by the company Procter & Gamble. When searching for new ways to deliver information to consumers they have considered all already known advertising method - TV, radio, newspaper, outdoor advertising, and then they drew a line under them and began to write down unconventional methods to advertise. Thus, the concept emerged “above the line” and “below the line”. [3 p.276]

Personal sales. Sale of products to one or many potential customers is carried out in the process of direct communication. This is intended to sell the product and to establish long and fruitful relationships with clients. This category of marketing communication is very specific, and contains many advantages:

1. Making a personal sale is the most complete way to satisfy the needs of the target consumer group.
2. Existence of direct communication between seller and buyer helps obtain quality feedback and find potential opportunities for development and satisfaction of new needs ahead of time.
3. You can provide detailed information on the manufacturer, product, brand which is being offered to the buyer.
4. Use of personal sales creates an image of a completely exclusive brand in the mind of the consumer.
5. Allow to build customer loyalty to a particular brand.
6. It is not necessary to spend more in the support of the brand in the chain store or to maintain large warehouse.

Unfortunately, personal selling has the highest value among all categories of communications, on the per contact basis.

Typically, the promotion of luxury exclusive products/service takes place with the use of personal sales. Also, this method of communication is widely chosen by cosmetic companies (Avon, Mary Kay), as personal sales allow for the selection of the products to the specific need of a particular person and this reduces the risk of misuse of the product.

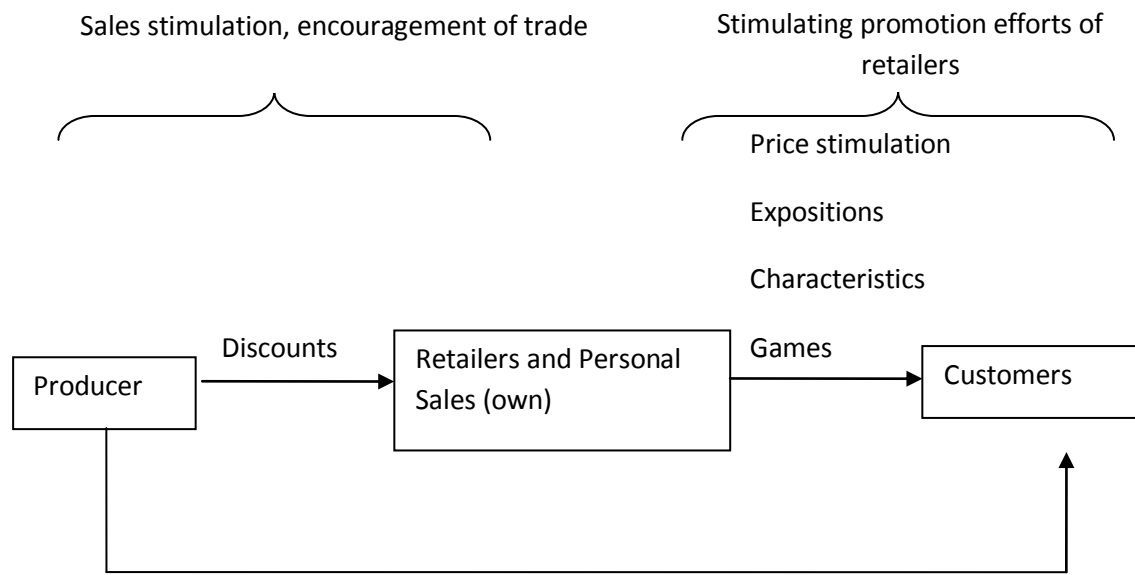
Personal sales also include promotion of the brand through, showrooms, fairs, exhibitions, mailing, telemarketing, selling through catalogs, Internet, etc.

Sales stimulation. These are marketing tools and techniques that are used to make goods and services more attractive by providing certain benefits whether in cash or in-kind, or a promise of such benefits. Some of the classic sales stimulations tools are:

1. Premium offers of all kinds,
2. Reduced prices and free offers;
3. Distribute trading stamps, vouchers and samples;
4. Incentives related to charity/social responsibility;
5. Prize incentives of all types, including stimulating sales program.

Sales stimulation is temporary and sensitive to new modified proposals, a sole purpose of which is to influence customer behavior, retailers and other intermediaries in the domestic market as well as their own personnel.

The most common ways to stimulate sales are: stimulating promotion efforts of retailers, encouragement of trade and consumer promotion:



Stimulating sales, for consumer promotion: coupons, bonuses, more products (2 for price of 1)

Fig.1.6. A combination of all sales stimulation methods

The main objective of sales stimulation is to encourage buyers to act, to initiate a series of behaviors which will result in a long-term purchasing activity.

Public Relations (PR). It is a planned and continuously supported process of creating and maintaining positive relations and understanding between the organization and the environment, public. Establishing such a positive connection is made at the expense of creating beneficial brand reputation, positive image, and to eliminate and prevent unwanted rumors and false information.

PR takes into account achievement of many objectives:

1. Creating a corporate identity and positioning of the company;
2. Getting support from the government, investors and partners;
3. Obtain customer trust;
4. Promotion of new products;
5. Response to controversial issues;
6. Resolving misunderstandings;

7. Reinforcing the effect from sponsorship activities;
8. Creation of long-term relations with mass media;
9. Support of the morale of employees at the required level in order to retain the valuable staff.

All marketing communication tools are united together to form a marketing communications mix. Graphically, it is often portrayed as a big wheel:

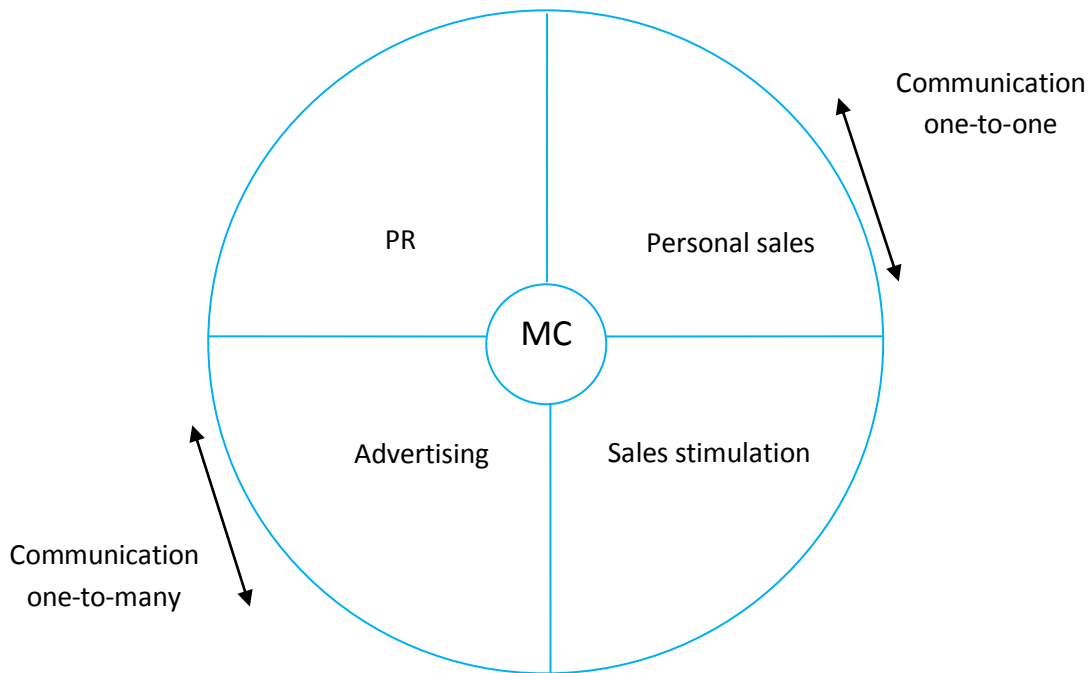


Fig.1.7. A set of marketing communications tools [40 p. 17]

In addition the communication methods are divided into one-to-many basis (i.e. advertising) and into one-to-one basis (i.e. personal sales). There are communication methods, which can be attributed to both categories, for example, direct mail. This mean of communication can simultaneously be considered as a means of advertising and as a personal sales tool. So, these four basic categories of: advertising, sales promotion, direct sales and PR are interconnected with each other.

Introduction of the customer to the new brand can be divided into seven stages:

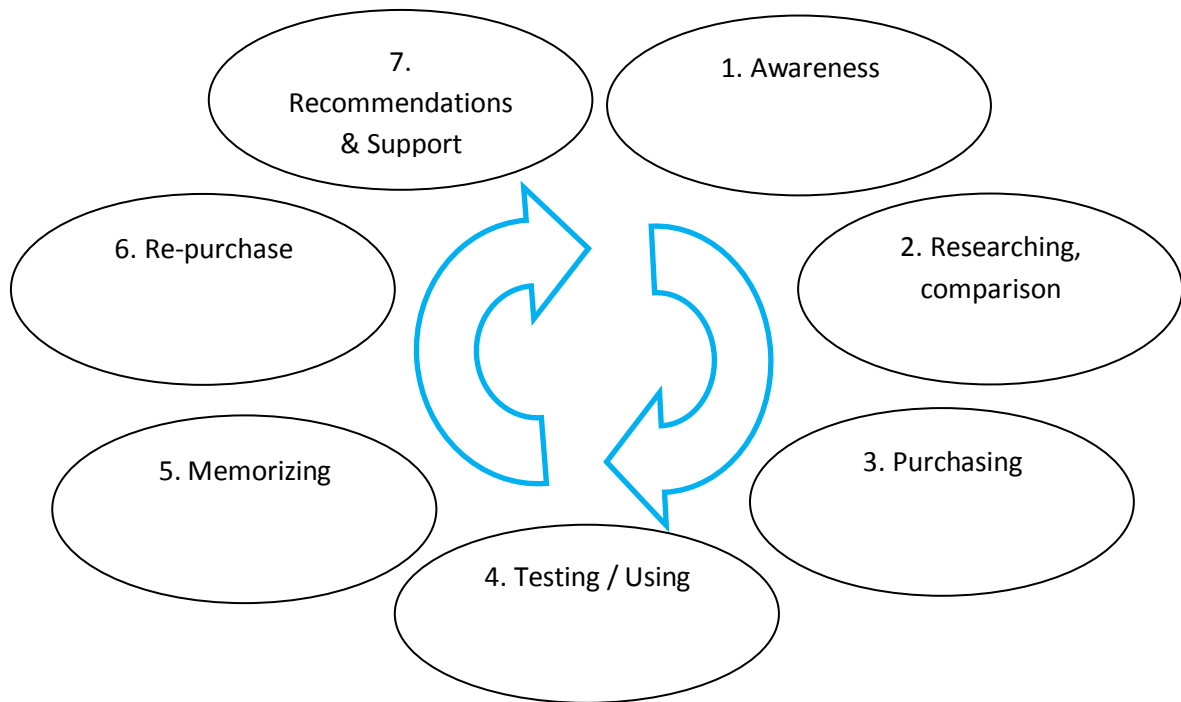


Fig.1.8. The process of interaction between the consumer and the new brand [3 p. 167]

So, in order to get to know the new brand, a person performs a certain kind of journey. The starting point here serves as consumer awareness. Through different ways of information transmission a person receives a complete set of information about the launch of a new brand/product. At this stage, the first impression about the new product is formed. The next step for consumer is the understanding of the superiority of the brand among its competitors and what benefit it brings to the customer. Thus the comparison of the new product to the existing products in the market begins. It is important that people clearly realize what are the benefits and have a desire to test the new products “promise” and therefore buy the product. So the consumer is taking another step and makes a purchase. On this stage the important role is played by packaging of the product. A person must be able to find a product on the shelf among the various goods.

Upon purchasing the new stage of testing/using the product begins. This is a very crucial stage. In fact, if the consumer expectations exceed the actual product, then a “relationship history” between a customer and the brand can come to an end. That is why it is necessary for the

information to represent the product adequately and not to create false illusions about it. If the consumer remains satisfied with the product then the introduction stage to the brand moves on to the memory stage. We fixate our memory either on the name or appearance of the product and then we match our previous impressions formed as a result of information campaigns and direct experience from interaction with the product. So in the minds of consumers a complete image of the brand is formed.

The next step is to buy this product again (re-purchase). This is a very good sign for the manufacturer. At the same time, re-purchase is an extremely important moment. At this stage, the manufacturer is tested for the ability to maintain product quality, service and maintain the brand at a constant high level. If at this point the customer remains satisfied with a product the brand becomes the one and only choice for the future purchase. This creates customer loyalty to a particular brand.

A result of long and positive relationship between the person and the brand, the consumer eventually becomes not just a loyal customer, he/she begins to act as an expert, recommending the brand to his/her friends. Thus, we reach the final stage of implementation of the brand concept. A person, who went through all the stages and acquired personal experience of “communication” with the brand, adds even more respectability and reliability to it. It is known that most people listen to the advice of friends or experts.

Thus, with the help of marketing communications and the 7 Steps of relationship building with a new brand, the developed concept is brought to life.

Conclusion to Chapter 1

Brand – is an intellectual part of the product that finds expression in only this peculiar commodity, design and has a stable and strong communication with the consumer. This concept includes the trademark (name, date, word, sign, symbol, design solution or a combination, created to mark the goods and services of a particular seller or group of sellers and distinguish

them among other competitors) that in itself is the official binding of the brand. Any brand is can be a trademark, but not every trademark can become a brand.

A brand is a much broader concept. It is a combination of everything that a customer takes into account when making a purchasing decision. It is not only a trademark but also the associations that arise in the minds of consumers when remembering a specific brand. It is an emotion that the brand strikes in consumers. This is a combination of consumer experience with the brand since the very first “touch” of the product.

It consists of elements that can be split into two main groups:

1. The rational elements (concentrating on the meaning of brand communications, its proposals and promises. They explain to the consumer what this brand can do for him/her).
2. The emotional elements (this are, so to speak, "feelings" of the brand, which is its expression, aimed at satisfaction of spiritual needs)

So, the brand consists of the following elements:

1. Brand Essence
2. Logo. Name. Trademark.
3. Brand Associations
4. Brand Values
5. Brand Awareness
6. Brand Heritage

The process of developing a brand concept can be divided into five stages. First is the study of market environment and target audience, during which we analyze market conditions, competitors, market structure and so on. Based on the information received the development of brand positioning takes place. The main competitive advantage is determined that will help in the future to stand out among competitors. Based on the developed positioning the main external attributes are formed through which the brand image will be communicated. The final concept is

tested on the customers with the use of focus groups and in-depth interviews. If the results of the concept tests satisfy the company then the brand is launched to the market.

Implementation of the developed concept takes place with the help of the market communication mix (promotion set) – a combination of certain methods of transmitting the information with the help of which a strong connection is established with the target audience for any occasion.

Means of building communication with consumers is divided into four groups:

1. Advertising;
2. Direct sales;
3. Promotion;
4. PR.

Introduction of the target audience to the new brand takes place over seven steps: receiving information about the new product – understanding the benefits and superiority of the product and comparing it to the existing deals in the market - purchase - use - remembering - re-purchase - support / recommendations to friends and colleagues.

Brand – is a dynamic concept that constantly evolves and develops. This is a great intellectual potential, which helps to promote new products and have regular and loyal supporters among consumers. It brings benefits to both consumers and producers. For consumers it simplifies the decision process of purchasing, they obtain a guarantee of constant quality and a way to express one-selves. Manufacturers with the brand's help increase their income through more premium price positioning, getting the chance to develop new products under the known brand and receive legal protection against counterfeit products.

CHAPTER 2

Analysis of the method “Who? What? How?” to build the concept of the brand

2.1. General description of the “Who? What? How?” method and its main elements

It has been said in the first chapter that in modern marketing practice there are different approaches building brands. All of them in one way or another evaluate possible aspects of the brand development and how to make it competitive. Unfortunately, most methods, defined and explained in the schemes of the previous chapter are very complicated in terms of perception. They are too complicated in terms of the number of stages which are somewhat too theoretical. At the same time, the concept of the brand does not tolerate ordinary statements of facts; it requires imagination, broad thinking and active perception of new market trends and customer demands. Therefore, the concept according to which the brand is being built and later on developed must be schematically simple and logical. It should as whole, function like a single organism.

The concept of building a brand that will be addressed in the section is called a “Who? What? How?”-Brand Building Framework. The very title of this basic concept promotes the idea - to build a brand based on 3 platforms:

1. "Who?" Or identify a target audience (for whom?);
2. "What?" Development of the brand itself considering the needs of the target audience (what exactly are they looking for?);
3. "How" forming a system of measures in order to bring the brand concept to life (how, what way?)

All of the mentioned platforms interconnect in a certain environment, which must be taken into consideration. Therefore, the binding element in this system is the so-called process of studying the environment/ "landscape". This element is called "Assessing the Landscape".

In a graph form, the model appears as follows:

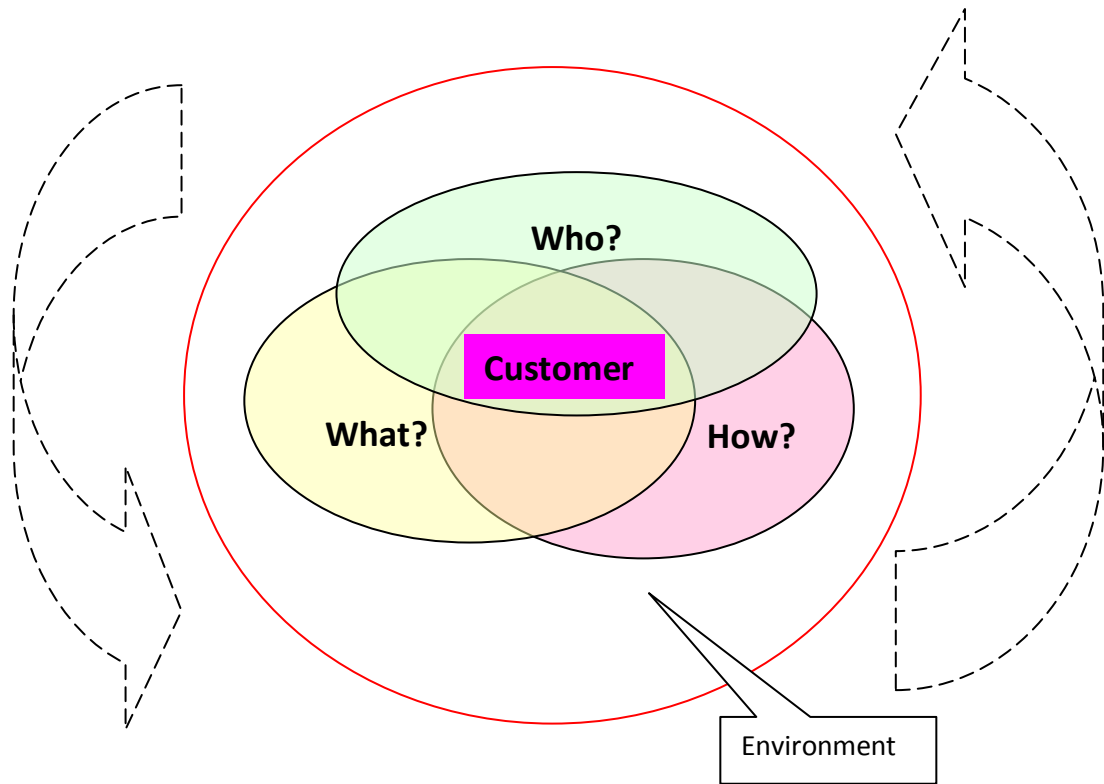


Fig. 2.1. Graphic representation of the model "Who? What? How? "

As seen in Fig. 10, model «Who? What? How? » Offers an approach to brand building as a movement around the imaginary circle, from the definition of the consumer at whom it will be targeted through the formation of the brand to creation of the system plan of measures for implementation of the chosen concept. So when building a brand, the work group must identify all the answers to "Who?" "What?" and "How?", taking as a foundation a combination of factors that form the environment.

The main advantage of this model is that it puts consumers and their requests in the very middle of the process of forming a brand. So, using this scheme we do not create a brand first and then find the audience for whom it will be interesting. Instead, to some extent, the customer acts as a "creator" of the brand, which in return satisfies all of his/her needs and world perceptions and impressions about a particular product.

In addition to the obvious superiority, the concept of «Who? What? How? » has a number of distinguishing advantages:

1. The model is simple in terms of the number of elements. This enables us to determine which element has been modified and adapt the other elements to this change;
2. This concept is not just a scheme that involves a gradual movement from one element A to element B. It offers a synergy between components that allows to achieve integration and full participation;
3. During the stages of studying the environment, this model takes into account not only such standard factors as competition, market situation, commodity category, it also focuses on building specific objective tasks that the brand must execute.
4. Allows you to expand the target audience of the brand by providing separate groups in the existing target audience of the brand and the potential customers who will become its supporters in the future.
5. Promotes the idea focused and concentrated on communicating the brand concept to the consumers. This is a new approach, as companies typically use the principle of massive impact on consumers, thereby "expanding" the basic idea of communication.
6. Allows you to define not one but several possible strategies for brand development. Thus reducing the risks when implementing the concept to life.

In the following parts of this section a detailed description of all elements of the concept will be provided.

2.2. Research the market environment and determine the target audience

As noted, the foundation concepts for building a brand «Who? What? How?» are the so-called, external or market environment. A corresponding development stage concept is called Assessing the Landscape or “covering the landscape”.

It should be noted that this concept does not simply cover all the market factors with “one look”, this stage works in three directions:

1. Analysis of the main factors of market environment (particularly competition, company position, etc.);
2. Detailed, in-depth study of the consumer;
3. Development of alternative ways of building a brand, simulation of different scenarios and study of behavior according to possible changes in the environment;

At this stage, the brand manager is required to integrate a set of market factors, "assess" the consumer or attempt to look at the world through his/her eyes and have an open-minded thinking when developing alternative scenarios of company behavior. Thus, an expert or a work group, working on a brand creation for a new product should be thoroughly aware of all factors that operate in this market environment and freely navigate in the current market situation, as well as understand and see the cause-effect relationships. Also, you must know and understand the consumer market, know what is important to them, their lifestyle, how they look at the world. Finally, keep an open mind, think broadly and use imagination in the development of alternative strategies.

So, the first direction of work is built upon a traditional analysis and tracking key business indicators and market environment factors. Getting information from different sources and thoroughly study the future brand from 5 different perspectives, responding to key issues in each of them:

1. Consumer and social context of the brand;
2. Position of the consumer;
3. Competition;
4. The company and category;
5. Objective requirement of the brand;

Getting answers to these key issues can draw conclusions about the brand potential for and its key vulnerabilities. But the main benefit of future brand consideration through the mentioned 5 perspectives is that the specialists obtain the opportunity to trace overall market trends and

threats. The main objective of this direction is to form a complete understanding of the factors that will have an effect on the future brand.

When working with this direction to study the environment in which the brand will work and be located, top specialists from different areas of the company are involved, each one of them works specifically on the allocated to him/her task/position. Overall, the main questions to which the work groups are seeking answers to, can be summarized in the following table. Its feature is that the questions are grouped not only according to their position but also according to a relative time frame (what has worked in the past, what is happening now, what can happen in the future).

Detailed description of the questions are presented in Table 1

Perspectives	Consumer and social context of the brand	Position of the consumer	Competition	The company /category	Objective requirement of the brand
Time Frame					
What has worked in the past?	<ul style="list-style-type: none"> - What are the main customer categories and demand in the segment? - How and why is it changing? - How effectively did the company determine and react to the appearance of new customers in the market? 	<ul style="list-style-type: none"> - What are the main task and problems that customer try to solve in this category? 	<ul style="list-style-type: none"> - What are the main competitors in the market (Brands and companies)? - How have they changed and developed? - What actions can we expect from them (Based on the analysis of the past behavior)? 	<ul style="list-style-type: none"> - Is the category to which the future brand will belong is growing/stable /declining? - What are the causes for this growth/stagnation /decline? - What positions does the company take? 	<ul style="list-style-type: none"> - What objectives were set for the existing brand of the company (if there were any)? - What were the development tendencies of such brands?
What is happening now?	<ul style="list-style-type: none"> - What are the main tendencies that will influence the brand in the next 2-5 years (social, technological, political and environmental)? - What changes will influence the demands of the 	<ul style="list-style-type: none"> - How are the customer behavior /habits changing? - How are the distribution channels developing? - Which channel is developing more progressively and why? 	<ul style="list-style-type: none"> - What are the priority development tasks among competitors? 	<ul style="list-style-type: none"> - Are there certain parts of the categories that develop faster? Why? - What role should the future brand fight for in the company portfolio? 	<ul style="list-style-type: none"> - What are the main demands/ requirements to the growth of the future brand? - What strategies will help the brand in the future to realize all the set objectives (market share in volume

	potential target audience of the brand?	- How those factors can influence the development prospects of the future brand?			and in money, level of distribution and so on)?
What can happen in the future?	<ul style="list-style-type: none"> - What can be done to adequately represent the changes and strengthen brand responsiveness? - How and to what extent those changes will influence the adequacy of the brand? 	<ul style="list-style-type: none"> - What customers will have the biggest potential for the distribution channels? - How can the future brand help the distribution channels attract those potential customers? 	<ul style="list-style-type: none"> - What alternative solutions to the existing demand can the future brand find? - Can the customer refuse to use the future brand? - If so, than at what expense? 	<ul style="list-style-type: none"> - How can the changes in the category influence the future brand? - How is the future brand integrated into the overall strategies and objectives of the company? 	<ul style="list-style-type: none"> - Based on the possible tendencies and changes in the market what can be the main destructive forces to the growth of the future of the brand?

Conclusions

Based on the table, the workgroup should select 1 to 2 main trends or problems that might serve as a stimulus for developing the concept of a brand and therefore make some clarification about the future of the brand.

The second direction is the study of the external environment of the future brand which is determine by a thorough study of the consumer. The whole brand building model «Who? What? How?» is based on the principle of dominance of consumer opinion. Therefore, a special attention is paid to a simple study of basic demographic and psychological characteristics of consumers in this category. A brand manager, who is developing the new brand concept, must understand how consumers view the world, what is important to them, and what values have the highest priority. Very often, in order to achieve such an understanding of consumers, work groups use the methods of relying on their own personal experiences. For example, the team which was seeking new communication ideas for the Pampers brand recreated a so-called "Kid's World" for staff to feel like a child again. They have surrounded them with oversized furniture and with door handles which were impossible to reach. Thus, by re-living the world of a child, the specialist obtained a total understanding and a great stimulus to develop new products and communication campaigns.

In this case, it can be said that those methods were very useful and allowed to form an intuitive/gut feeling about the customers. It is that feeling that in the future will help to make decisions without turning to the specialized sociological research and tests.

The existence of the third direction of work to study of the environment is caused by the fact that usually companies foresee only possible development outcome for the brand that they are building. This is not correct. The environment in which the brands exist is constantly changing. It is impossible to predict all the influencing factors. That is why it is necessary to work out many ways for the development of the brand, from the most optimistic to the most pessimistic scenarios. This requires a certain imagination of experts and extensive knowledge of the market environment. Development of different scenarios can put you ahead of competitors in the market, by being the first to offer an innovative product or by addressing the product to satisfy the yet unmet needs.

Defining the environment provides the best solutions based on the three major platforms (Who? What? How?) and their ability to adapt to changes in the future.

If the study stage of the general environment allows the understanding of the general trends in the customer category, then the next stage – ***defining the target audience*** – covers a more detailed analysis and focuses on a certain group of customers.

Current trends indicate an increasing diversification of habits and desires of consumers and customers. In this context, the correct identification of the target audience (or an answer to the question "Who?") is of a particular importance. The concept of «Who? What? How? » promotes the creation of brands to satisfy the specific groups of consumers. A brand should stand out among other products and win over customers. Communication thus must be accurately targeted. But this is impossible, without correctly defining the target audience first.

Thus, we turn to characteristics of one of three platforms, upon which the brand is built: determining “WHOM” the brand will satisfy?

In general terms the target audience is a combination of product consumers, potential and current, who maintain their interest in that product throughout a certain period of time or are willing to change their preferences in favor of such product under the marketing pressure. From the vendor’s point of view a target audience is a group of consumers, to whom the product can be successfully realized over a certain time period. This combination should ensure the achievement of the long term business goals by the brand. So, from this definition we can conclude that the key parameters that characterize the target audience are:

1. Consumer interest in product or service;
2. Readiness to change their preferences under the influence of marketing communications;
3. The interest of the seller to sell this product to this particular group of consumers and the existence of real opportunities to do so;

There is a general rule, which is used in determining the target audience: percentage of consumers who belong to it must be at least 2 times greater than the targeted long-term market share of the product directed at it. The only exception to this rule is allowed only when the brand needs to increase the penetration or infiltration into the category (total number of consumers).

There is also a principle that has been mentioned in the first section of the thesis: the target audience should be rather broad and leave room for the development of new products under the same brand.

The target audience influences the long-term decision making process, such as defining the core value of the brand, innovative strategy (target audience allows to identify opportunities in the market to develop new products and communications), and brand architecture. The general "look" of the brand is dictated by the taste of the target audience.

We must clearly separate the two concepts: segment and target audience. Segment is a collection

of people grouped by certain principles, such as factors influencing their choice of product or category. Classical segmentation is a very complicated process requiring specialized knowledge. There exists a simple and clear approach which was first proposed by Mark Sherrington the founder of one of the first brand-consulting companies - “Added Value”. He used the so-called scheme of “5W” - questions: What? Who? Why? When? Where? To apply this scheme it is necessary to create a table in which the vertical axis is used for segmentation methods and horizontal axis represents the 5W questions. Therefore under each of those questions there must be a segment row of the given type. A more detailed example of this approach is shown in Table 2.

Table 2. 5W approach to the consumer segmentation [38 p.354]

Questions	Segmentation Methods
What?	Segmentation by product type. For example: wine in bottles, “Tetra-pack” packaging, in barrels, and so on.
Who?	Segmentation by type of consumer. For example: men, women, children, adolescents and so on.
Why?	Segmentation by type of motivation when making a purchase. For example: good price, daily demand and so on.
When?	Segmentation according to a situation in which the purchase is made. For example: Holiday shopping, after-work shopping, shopping on weekends, and so on.
Where?	Segmentation according to the distribution sales. For example: sales through stores, specialized stores, and online stores and so on.

Target audience may include customers from multiple segments. Those segments influence the choice of where the brand will “play” and, accordingly, how it will “win”.

The complete information about the target audience used by the specialists during the time of analysis is combined into one source for future convenience. It is a so called “special case” which in the framework of «Who? What? How? » became known as a Strategic Target Holistic Profile.

Table 3. Examples of grouping and generalization of information about the brand target audience

Customer Characteristics	Description	Examples
Geographical	Region, climate, population density and so on.	The population density of the Western region of the country is 100 people/m ²
Demographical	Age, gender, marital status, education, income.	Women aged 25 to 45 years, with one or more children and with an income below average.
Psycho-graphical	Personality type	Extroverts or introverts
Lifestyle		
Needs and Wants	What needs exist and what are the decision making factors?	Emotional need in self-realization, a need to overcome a certain challenge.
Habits and experience	Description of how consumers behave in this category.	The usual use of the products in the category, where? How often and how much the products are used in this category?
Perception of Price and Quality	Understanding what role price and quality play for the products in the given category.	Average price that is paid on the market for a product in this category.
Attitudes and Values	Knowledge that explains why the customer behaves this way.	Attitude to life of those connected to the given category.

Also, the uniqueness of the concept of «Who? What? How? » lies not only in defining the current target audience but also the overall consumers that potentially can become one of them in the future. As shown in Fig.2.2., out of the total number of consumers in the category (1) a current target audience (2) and potential consumers (3) are defined. This group is referred to as "prime prospects".

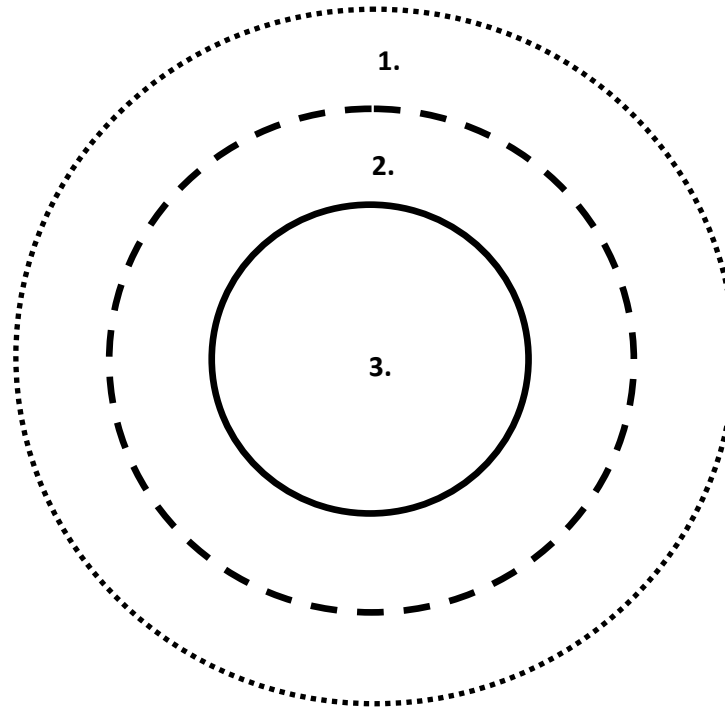


Fig.2.2. Segmentation of consumers within the concept of «Who? What? How? »

Potential customers serve as a way to further develop the brand and also are used as a source of marketing expenses. Most of these consumers consist of people that are at the stage of "market entry» (POME - point of market entry). This stage for them can represent the need of the function that the product can provide (transportation function for future car buyers), opportunity to buy (Pregnant women are the future buyers of diapers for babies), or plus a desirable experience or satisfaction of emotional needs.

And here it is vital to have a deep understanding of the consumer and his/her habits. As with this understanding it becomes clear how and on what occasion the customer can become the target audience for the brand.

2.3. Construction of the brand concept based on the requests from the selected target audience

Upon identifying the correct target audience for the proposed approach within the concept of

«Who? What? How? », the work group could move to the next stage – direct construction of the concept of the future brand. Now, with extensive information from the consumers related to their likes and desires of what they want from the given category and what are their main demands the brand can be created, which will correspond to the main and greatest demands of the potential target audience.

As stated in the first section, the brand takes into account a combination of different elements such as rational and emotional. The «Who? What? How? » concept also considers those elements that offer a somewhat different view on how they interact and build the brand.

The key concept in developing a brand is the so-called pyramid of values or the “Brand Equity Pyramid”. This key concept incorporates all the key characteristics of the brand, the main principle of which is to build the brand as an imaginary pyramid. To build a new brand, you need to start from the foundation, which represents the customers' requests: through identification of the brand key features (a category to which the key competitive advantages of the brand belongs to); through the creation of "personality" of the brand (i.e. its attributes like packaging, logo, fonts, sounds, etc.); to the creation of the core message that the brand carries. Therefore this idea is a general integration of all previous stages which communicates that this brand will “fight” for its position in the minds and hearts of the consumers. You can say that the work of the brand development team should be directed at research and formulation of such idea, its key feature that will be associated with the brand. The brand idea becomes the basis of the communication message to the consumers.

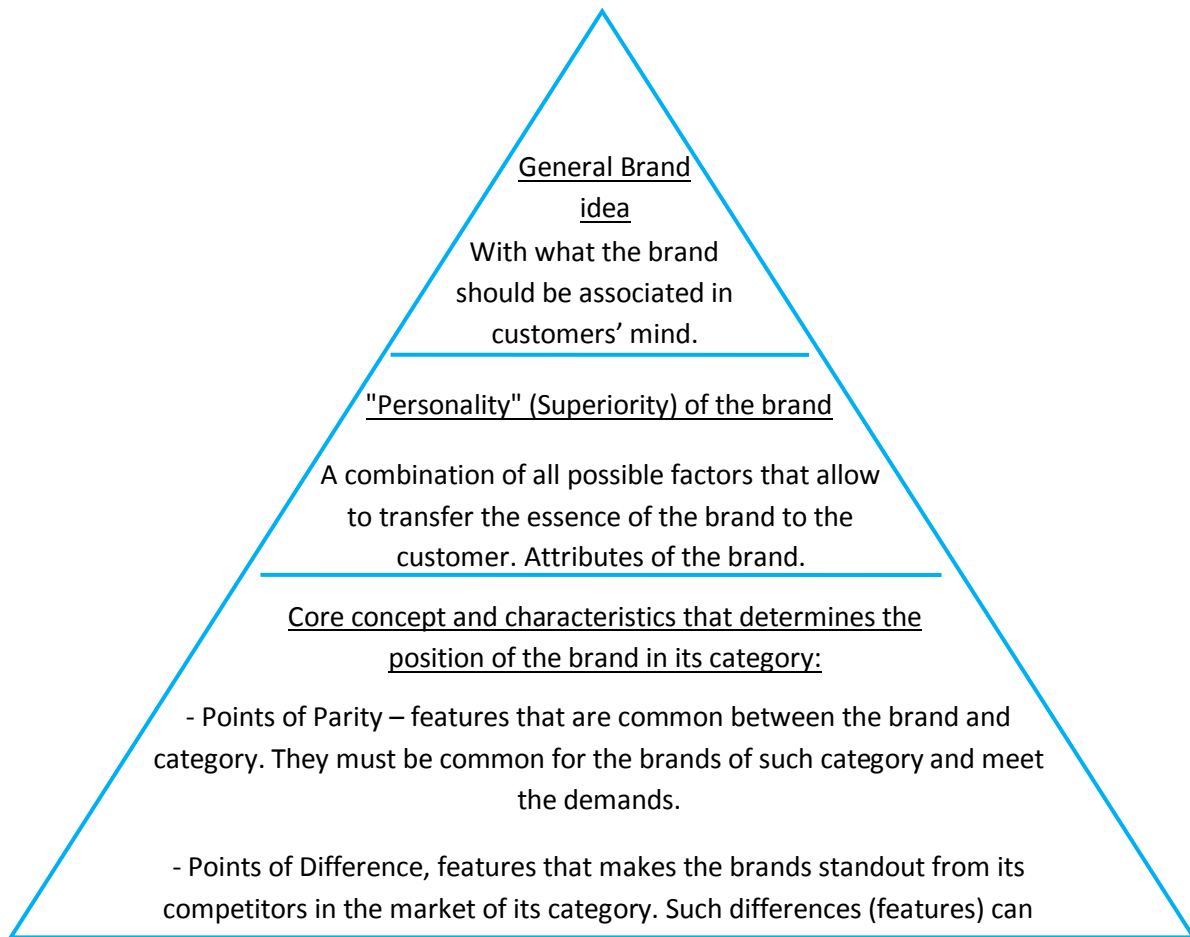


Fig.2.3. General architecture of the brand

The basis of the brand is formed on the traits upon which the brand positioning is developed. Depending on which traits the company defines as exclusive and common the future brand positioning strategy is formulated.

Despite a somewhat different approach to brand structure the concept of «Who? What? How?» fully supports the overall understanding of brand elements. That is, the attention is focused on rational and emotional elements and once again underlined their equal value. The principal difference of this concept is the complete concentration on the target audience in the process of building a brand. That is, the deeper the understanding of such audience, the more specific and focused the significance of the brand.

Brand has physical properties, which are called its attributes and that the consumer can directly perceive through their senses. Under brand attributes we understand complex sensory parameters of the goods (services) that are perceived through vision, hearing, touch, smell or taste and form physical characteristics that create an image, "Personality" of the brand. As noted in the first section, the classic brand attributes include a brand name, trademark, logo, color combination, original fonts, brand characters, gestures, music, etc. Attributes "encircle" brand identity. They are chosen and created to enhance brand knowledge and provide strong, favorable and unique brand associations. Brand identity directly depends on the brand attributes.

Each attribute plays its special role in the formation of brand capital. But to get the maximum benefit, attributes should be merged into one centralized system. It should be remembered that each attribute of the brand has strengths and weaknesses. Therefore, marketers must create a system of relationships between different attributes to enhance the overall brand significance. The combination of overall significance and unique attributes enhances the formation of the brand capital.

The final stage in the work on the concept of the brand is the development of its general idea, i.e. its brand identity. As stated above, under brand identity, we understand the content of a brand is established by its developers. Typically, consumers perception of the brand differs from that is planned and developed by the company. Therefore, the brand manager's task is to; reach the maximum correlation between the planned and perceived content of the brand by measuring consumers brand perception and managing marketing communications.

Behind every brand there is real product or a service. The basis of brand equity is the **product** itself, as it creates an impression about the brand itself. Also, when the company decides which information should be provided to the consumers, they first of all concentrate on the distinguishing features of the product. In order to achieve marketing success, it is necessary to develop and introduce to the market a product that fully satisfies the needs and wants of the consumers.

This product may be as new to the market to which it is being introduced as well as an entirely

new product for the company itself. When bringing the new product under the company brand, the overall innovative strategy for the product should be developed for the next 3-5 years. The aim is to consolidate and enhance brand value and achieve the set business objectives.

Commercial and product innovations are different. Commercial innovation is any initiative that brings additional business growth without significant changes in the product and its packaging. These innovations include, for example, purely marketing initiatives or initiatives in distribution and sales. Also, commercial innovations include minor changes in packaging design or enhancement of additional elements.

In turn, product innovation considers support of existing, totally new or substantially improved products. Such initiatives always require communication support. Each initiative should carry a clear benefit or experience for the target audience.

In general terms, innovative strategy includes:

1. Financial goals. For example, achieving a market share increase, incremental volume, improving distribution and etc.;
2. Defining a place where the brand will "play" as well as tactics it will use to "win". For example, identifying priority segments for development of the brand and its upon which focus will be made;
3. 3-5 year plan will roughly show what kind of a development a brand might have in the future. For example, increasing product range, in which direction product lines will increase, timeframe;

Results from work group from the second platform in the system «Who? What? How? » are as follows:

- A. Message for the development of communication strategy. That is, the basic idea that lies at the heart of all communication. This idea may appeal to the rational and emotional elements of the brand;
- B. Specified product that will be promoted under the brand;

C. Precise positioning of the brand, through which it must be distinguished in the market;

These three elements further define and manage the process of the third platform «How?». With their help a complete set of methods for brand concept implementation is developed.

2.4. Creating a system of measures to implement the prevailing concept of the brand

Upon completing the stage of defining the target audience and creating “personality” of the brand the team is faced with the task of how to correctly promote this concept to the customers. How to "revitalize" the brand, how to create the commitment of buyers? The answers to these questions lie in the third platform of the concept «Who? What? How?» particularly in «How? » - the development of measures to implement the brand concept.

In the first section the standard scheme was presented as to how consumers interact with the brand. This is a certain movement in a circle, by moving from one stage to another. Particularly: the starting point is the consumer’s awareness of the new brand, the next stage for customer is to understand what distinguishes the brand and what benefits the brand has, compared to its competitors. Then the comparison of the new to existing proposal in the market is carried out. The next stage is purchasing of the product, after which the usage stage of the product commences. If the consumer remains satisfied after using the product, the introduction to the brand is soon transformed into the stage of remembering. In the minds of the consumers the complete image of the brand is formed. The next stage is to re-purchase, which is a very good sign for the manufacturer. If the consumer remains satisfied with the product after its re-purchase, the brand is almost the only choice considered for meeting the specific needs. Thus the consumer loyalty to a particular brand is formed. The final stage is when a person starts to act as an expert by recommending this brand to their friends.

Repetition of all these seven stages is necessary in order to further understand the uniqueness of the concept of «Who? What? How? ». It does not disregard the stages of introduction and interaction with the brand. Instead, this concept simplifies the acceptance of these stages and makes them easier to remember. So, according to the concept of «Who? What? How? »

consumer's interaction with a new brand takes place through three stages, called “moments of truth”.

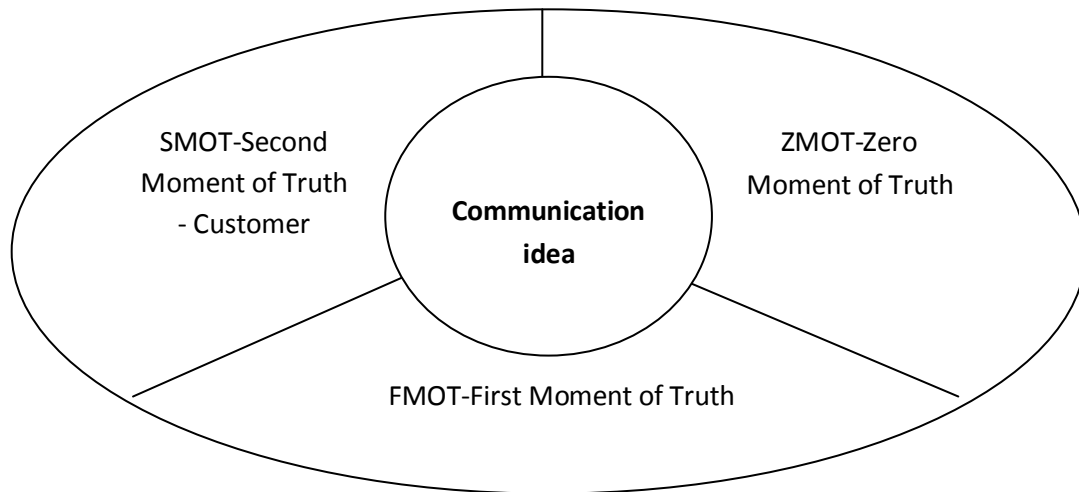


Fig.2.4. The process of familiarizing consumers with a brand under the concept of «Who? What? How? »

As seen in Fig.2.4. the 7 stages of familiarization of the consumer with the brand are divided into 3 groups. Introduction process of the customer to the brand through the communication channels that form “complex communications” (or “zero moment of truth”). Why zero moment? Because at this stage the ground work is laid as to how to influence the buyer from the moment he enters the store. This is a so called "low start" for the brand in the process of fixating in the mind of the consumer.

The stages of information research, comparing and purchasing of a product creates a 2nd group, the so-called "initial moment of truth." This is a very responsible step for the brand. This stage is considered to be successfully completed when the buyer comes into the shop, sees the product on the shelf and actually buys it. This means that the packaging, product placement on the shelves and communication campaign worked, and completed their set tasks.

In group 3, the “second moment of truth” includes usage, remembering, and re-purchase as well as active support of the brand. Unfortunately, not all companies are paying necessary attention to this phase. This explains falling sales and reduced market share of some brands even after a

successful market entry and initial rapid growth. After all, even after buying the product only once, consumers might face the problem of poor product quality or inconvenient means of exploitation. It happens very often that the product expectations greatly exceed its real ability to meet the actual needs.

Therefore, when developing a system of measures for implementation of the brand concept, the work group should initially answer the question “What is the most effective and comprehensive way to communicate the brand idea to the consumers?” As a result, the work group is faced with a challenge of how not to just develop a plan of the brand support through advertising or any other means of marketing communications. The main difference is that it is necessary to develop a single, multi-leveled plan to deliver the brand idea, its essence to the consumers, using maximum number of methods.

First of all, it should be noted that the central concepts of this chapter will be the communication idea and the idea of the campaign. These concepts are not identical and understanding the difference between them is an important aspect of establishing cooperation with a creative agency and when developing implementation measures to bring the brand concept to life.

In order for all the methods, with help of which the essence of the brand will be delivered, to be interrelated and carry one and the same information, the key communication idea must be determined. This idea should combine all the tools that the company chooses to implement the concept of brand. This idea should be "Neutral" and take into account its transformation into various communication channels (television, after-sale service in the stores, etc.).

So, the communication idea interpreted as the expression of benefits/superiority that the brand carries. Very often, in order to build an idea for a communication campaign it is necessary to consider certain barriers that might prevent the people from trusting the brand or from using the product in the given category. Typically, such barriers can be based on consumer behavior (i.e., a man might not use a bicycle, because he considers it to be an unsafe transportation vehicle) or on certain stereotypes or warnings that exist in the imagination of consumers (drinking coffee is bad for the heart because it has a lot of caffeine).

Therefore, the communication idea is formed as a response to counter the consumer beliefs that act as an obstacle to the brand. For example: The brand of chocolate biscuits Oreo has encountered a problem that mothers do not give their kids cookies as they consider them to be unhealthy (i.e. sweets cause tooth decay). Thus, when developing the communication idea, to outweigh the negative beliefs of mothers, they have concentrated on the fact that Oreo cookies contain a lot of milk and calcium, which is very beneficial to the kids' growth and health. Kinder brand builds their communication the same way, but constantly sending a message with information about high content of milk which is good for children.

Also, a definition of a campaign idea is also distinguished as it expresses the essence of the brand and its main advantages. If the communication idea is formed to implement short-term initiatives, then the campaign idea is for long-term initiatives. To understand the main differences between these two concepts, it is necessary to compare their main parameters.

Table 4. The main difference between communication idea and campaign idea

	Campaign Idea	Communication Idea
Creative expression...	Essence of the brand	Certain benefits that the brand has
Refers to...	The whole brand	Certain initiative or a product
Addressed at...	Current target audience	Potential customers
Used in...	Long-term	Short-term

Thus, if the campaign idea is developed as a quality measures for the long-term plan of action for the brand, a so-called strategic implementation plan for the brand concept. Then a communication idea is a sort of tactical plan of action as to how to overcome the negative beliefs and barriers in the minds of the consumers and to deliver a certain benefit that the brand will provide with the help of its competitive advantage. So, the communication idea is a sort of bricks that step by step build a brand image in the minds of the consumers.

The process of developing a system of measures to implement the developed brand concept to

life takes place through close cooperation with advertising (creative) and media agencies. The selection of such partners is a very important step for the company-owner of the brand. It is necessary to take into account their experience, staff professionalism and scale, in which these agencies are able to work in. Thus, for an advertising agency it is important to have sufficient workforce to be able to meet customer requirements. Advertising agency must be prepared to answer the following questions to their clients (brand-owners):

1. When was the advertising agency or consulting group founded and is it a part of a larger organization?;
2. How many directors does the agency have? Are they certified specialists? If so, in which institutions they received their diplomas;
3. How many agency employees there are and what are their responsibilities;
4. Who are the current clients of the agency;
5. Do they have products and services that directly or indirectly compete with products/services of company;
6. Do any of the agency directors have the experience in the working with market, where the client company "plays";
7. If so, then with which brands or companies;
8. Is it possible see some samples of the agency's work;
9. Will the agency agree to prepare (without any obligation by the client) some preliminary recommendations to the general plan, or will it require a certain fee for its work;
10. What services does the agency offer and which of those services will be done by the agency's staff;
11. Can the agency present the client a promotional prospect with the description of the general conditions of execution of orders, including explanations to the payment methods and how they price their services;

It is also important to visit the agency and see for yourself how the specialists are actually working.

Media agency executes the direct allocation for client advertisement in various channels of communication. Typically, the agency cooperates with a large number of owner's of advertising channels. The task of this agency is to develop a program from different methods of communications based on which the advertising message will be carried out and the direct placement of this message will be based on the program approved by the client. Also, the duty of media agency is to track the campaign progress and reporting to the client.

Thus after determining the target audience (Who?) and after creating a corresponding brand concept (What?) a company attracts professionals from partner agencies to create a quality program to implement these concepts to life, bringing the brand essence to the consumer. The initial stage of work is writing a brief for the creative agency. This document is necessary to avoid misunderstandings between the client and the agency and to obtain the exact result which the client wants. A brief is necessary to help the agency find common language with the client, to ensure maximum compliance of the advertising concept or promotional campaign, developed according to the needs and wishes of advertisers. It also helps to simplify the process of presenting the finished work for the agency as well as for the client since the transition from the criterion "Like - Not like" to a more productive criterion "perform the set task – or not" is carried out. In addition, a brief - is one of the best methods of providing effective advertising from the very beginning. [11 p. 258]

At its core, a brief - is no more than a technical task, a document which is presented in a form of a questionnaire, the main task of which is to extract the complete information about the new customer. It organizes the ideas in the minds of the advertisers and sets a direction for their creative search. A brief provides undeniable advantages at the very beginning of work with the agency; it helps not only to find the common language, but also to confirm it with a signature and a seal. The practice of confirming briefs before the advertising campaign commences can be ignored, however in this case there is always a risk of being unsatisfied with the agency's work.

When writing a brief, advertisers can expect 2 unpleasant moments: firstly, one has to think and analyze objectively the activities of their company because honesty in this matter directly

influence the future effectiveness of the advertising campaign. Secondly, it is necessary to disclose some information which is considered to be a trade secret. But usually the problem with disclosure of trade secrets is solved by signing a non-disclosure agreement.

The depth of the brief itself can differ significantly from the anticipated activities of the agency. There is no defined standard form of a brief, as large corporations and advertising agencies develop their own standards, and they can differ among themselves by 10 - 15%. The main objective of a brief is to determine: the correct direction of the advertising campaign; who makes the proposal; at whom the proposal is targeted; when is the best time to launch; the right motivation and optimal value.

Thus, to create a complete brief that will allow the agency to obtain full background information for the development of the advertising campaign, it is necessary to know the following elements:

1. Provide a short but descriptive assessment of the current market. Thus, it is necessary to summarize the main aspects that the company has defined for itself during the stage of “Assessing the Landscape”;
2. Formulate characteristics of the target audience, at whom the advertising campaign will be directed. That is, provide a brief description of this target audience (determined at the stage of “Who?”). Typically, this characterization looks are as follows: “Women aged 25 to 45, married, with one or more children, with above average income”. In the future cooperation with the agency, a client can share the results of his/her in-depth study of the target audience. It's necessary so that the creative group of the agency can have an idea about who the target audience is and what is important to them.
3. Identify the goals that the company wants to achieve as a result of advertising campaign. That is, define “what it is that we are trying to achieve”. The goals may be different (strategic, tactical, corporate, financial, etc.), but there are specific goals that must be achieved through the advertising campaign. “Communicate the concept of the brand of the consumer” is not a correctly formulated objective for the advertising campaign. It is necessary to define in greater detail at the expense of what the realization of the concept of the brand will be carried out.

There is an AIDA (Attention-Interest-Desire-Action) model that defines different stages that a consumer goes through before purchasing a product and combines goals of advertising campaign into 4 corresponding blocks. So when setting goals for the agency, it is necessary to choose one of the above. Also, the objectives defined by the client must be SMARRTT: specific-measurable-achievable-realistic-relevant-targeted-timed. This method is very useful for the correct formulation and evaluation of the set goals.

Table 5.Detailed goal-evaluation criteria set for the agency, the SMARRTT method [53 p.500]

Criteria	Explanation
Specific	Goals must be clear, precise and clearly specified what need to be achieved with the help of the campaign.
Measurable	Goals must contain quantitative indicators by which to measure the result
Achievable	Must be realistic in its achievement. That is, the company should have sufficient resources for its implementation.
Realistic	For example, it is unrealistic to achieve 25% of market share in just one month, when there are 5-6 strong competitors present. That is why the goal must be formulated according to the objective view of the market factors.
Relevant	Goals should meet the overall objectives that the company has set for the brand.
Targeted	Goals should be aimed/targeted at specific audiences, which are defined by the client.
Timed	Goals should be defined by the specific time frame, after completion of which a campaign effectiveness analysis is carried out (6 months, year, etc.)

After setting the goals that the advertising campaign (or campaign for implementation of the brand concept to life) must achieve, the client determines the appropriate budget, which advertising and media agencies must "fit". Typically, the budget that the company provides to promote a new brand is divided into two parts: the development of creative ideas, campaigns and specific promotional materials (responsibility of the creative agency) and placing advertising message in various communication channels (responsibility of the advertising agency).

Accordingly, the demand for resources is determined (which specialists are needed), and what is the time frame for the development of the measures to implement the brand concept to life.

Upon deciding the main organizational moments and the budget, the creative team of the agency together with the brand-manager of the client company, begin the work on the immediate development of the objectives for the campaign according to the implementation of the brand concept. That is, they work on the question “how exactly to communicate the concept to the consumers”. At this stage, the main idea of the campaign is determined, which should support long-term (1-2 - years) plan of action and unite in itself different short-term initiatives. A striking example of such a comprehensive and long-term idea is "Campaign for the Real beauty" by Dove brand. It unites in itself a number of short-term initiatives in support of various products of this brand (body milk, deodorant, shampoo, etc.) and contributes to the overall perception of the brand Dove. So, as a result an overall concept is developed according to which the brand will move into the market.

The next step is the specification of this general concept. That is, to develop specific activities in four areas of communications (advertising, PR, sales promotion, etc.). Thus, the campaign idea is formed which should act on the short-term scale and serve as a tactical implementation of the strategic plan. Based on the communication idea the advertising message is developed. The agency should make up their mind about the genre and form of the advertising message with which the viewer (reader/listener) will immediately meet. They represent the process of so-called encoding of information that contain the advertising message and which advertiser (advertising agency) is trying to convey to the target audience. It is necessary to find such a theme/idea for the advertising message so it is in subordination to the marketing objectives, revealed product advantages to the buyers and supported them as well as offering something of a truly high quality. Advertising message should not be didactic, boring and should stand out with creativity and novelty.

The next stage is the selection of the relevant media channels for the advertising message. This is one of the most important aspects of planning an advertising campaign because the media

channels have their own image, and thus they affect the image of the advertiser/client and its products. In addition, it is necessary to align the goals and the scale of the advertising campaign with its expenses as well as to define what means of information are suitable for communication with the specific target audience. It is advised to develop several options using various media channels, theoretically determine their effectiveness and confirm through testing to determine the best. Further analysis of results allows to ascertain the causes of failures and to develop ways to address them during the development of campaign that is before the beginning of broadcast of the message to the target audience.

Accordingly, a support program is developed that is unique and tailored to a specific brand throughout all the channels of marketing communication that the client selects.

To combine all set of activities taking place in the campaign, a convenient method is used to illustrate all methods with the help of which the concept of the brand will be implemented. This method allows to monitor whether all the activities aimed at brand promotion are interconnected and do not contradict one another.

	January	February	March	April	May
Advertising					
TV					
Press					
Outdoor					
Internet					
Sales Promotion					
Buy 2+1 Free					
Discount Vouchers					
Samples					
PR					

Fig. 2.5. Examples of illustrations of measures to implement the brand

So, as a result of joint work between the creative agency and the brand managers of company an advertising campaign is created, which in turn is an expression of a combination of various methods for implementing the concept of brand. Then the strategic idea of the campaign and the

communication idea are formed, based, on which the advertising message is developed. Also, the result of collaboration of the two sides is a collection of various promotional materials (video clips, posters, etc.) which are the direct carriers of the brand concept and are created according to the brand image and communication idea.

The materials that were developed by the creative agency are transferred into the responsibility of the advertising agency for further placement in different advertisement channels. In the set, by the client, time, the monitoring of the advertising campaign is carried out, and it becomes clear how well it was built and whether it has a potential to achieve the set objectives.

There are qualitative and quantitative indicators that serve as results of how successful is the implementation of the brand concept. Among the quantitative, the most attention is paid to the market share, which the brand has occupied during this time (or its responsive changes, if the brand was already present in the market). Among the qualitative indicators the attributes that are associated in the mind of the consumers with the brand are most often measured.

Conclusion to Chapter 2

The concept of “Who? What? How?” Brand Building Framework promotes the idea of building a brand based on 3 platforms:

1. “Who?” Or identify a target audience (for whom);
2. “What?” Develop the brand taking into account demands of the target audience (what exactly);
3. “How?” create a system of measures for implementation of the brand concept to life.

All of the mentioned above platforms interconnect in a certain environment that must be considered. Thus the connecting basic element of the given system is the so-called process of studying the surrounding environment, "landscape". This element is called "Assessing the Landscape".

The «Who? What? How? » model provides an approach to the brand building process as the movement around an imaginary circle, from the definition of the consumer at whom it will be directed, through definition of the brand itself to the system plan of implementation methods of the chosen concept.

"Assessing the Landscape" stage includes work in three directions:

1. Analysis of the key market factors (particularly category, competition, company position etc.);
2. Detailed in-depth study of the consumer;
3. Developing alternative ways of building a brand, evaluating different scenarios of behavior related to the changes in the environment;

In the definition of the surrounding environment provides optimal solutions according to three major platforms (Who? What How?) and their ability to adapt to changes in the future.

The “Who?” stage takes into account segmentation of the customers and selection of the appropriate target audience, at whom the future brand will be oriented at. In other words, “those for whom this brand will exist are defined”. Various characteristics of the target audience are studied profoundly (i.e. demographic composition, psychographic characteristics). The conclusions that the marketers obtain in the process of studying the customers serve as the basis to the direct development of the brand concept.

The “What?” stage concerns the building of brand itself, determining its architecture. Within the proposed concept, the brand is regarded as an imaginary pyramid. The basis of the brand is the features on which the brand positioning is developed. In positioning different attributes of the brand (packaging, name, logo, etc.) are composed to make up its "personality". At the top of pyramid the identity of the brand is formed which is the overall embodiment of all its fundamental features and attributes. Identity is a single characteristic that the consumer should associate with the brand.

The “How?” stage includes the development and formation of steps that embody the brand. In fact, the campaign for the brand promotion to the market is being developed. This campaign is multileveled and involves different channels of communication and a complete cooperation and interaction among its elements. The final stage of brand concept implementation involves cooperation with the advertising and media agencies.

CHAPTER 3

Integrating the “Who? What? How?” system in the brand concept development of iPod and its implementation mechanism

3.1. Brand development of iPod

"Assessing the landscape"

The company Apple Inc., was founded in 1976 by Steve Jobs, Steve Wozniak and Ronald Wayne, talented programmers, who made their first computer in the living room of Steve Jobs parents' house. Currently, Apple Inc. is a multinational company that is developing and manufacturing personal electronic equipment and relevant software. The company develops and sells through its own network of shops and its partners: personal computers (iMac), media players (iPod), mobile devices (iPhone and iPad) and software (Mac OS, iLife, iWork, Aperture and etc.). As of 2000, the development of the first MP3 player prototypes iPods has begun, the company already had over 30 years experience in developing innovative electronic devices.

Thus, the major competitive advantages of Apple are:

- The availability of extensive experience in software development and personal electronic devices at one time have contributed, to the development of a whole niche market of IT technologies (Macintosh computers, launched on the market in 1984, had revolutionary graphic and performance at the time; PowerBooks, the first notebooks that in a book-form, have defined the design of the notebooks today);
- Indisputable leader in sales of personal computers in the U.S. in 2008 and 3rd Global seller of mobile devices (iPad & iPhone) since 2010/2009;
- Developer and owner of the operating system Mac OS X, which is number 2 on the U.S. market after Windows;
- Presence of a large team of designers, engineers, developers and technicians that focus on development and innovation of new equipment;
- Close partnerships/strategic alliances with Sony and Toshiba that supply Apple with high-quality components.

In 2000 the company had the necessary scientific and creative potential for the development of a new product and great reputation for promoting innovative products.

In 2000-2001 the market for portable digital devices capable of playing music that was downloaded by its owner constituted of products that were either too large or too small and flimsy and not actually functional devices with a total memory of 32 or 64 MB. Such devices could only store up to 50 songs. Thus, these devices were not much more functional than a conventional CD player. However, development of digital media has already provided the necessary push and consumers were actively interested in such a portable device. Also, the ability to transform music into digital format opened great opportunities for its convenient storage and allowed it to be recorded on to any media (other than a regular CD). The main competitors in the market for such digital devices at that time were the Singaporean company Creative with their device Nomad Jukebox, which was the size of a regular CD player but could potentially save up to 100 songs and the company Bang&Olufsen.

Thus, in 2000-2001, the devices that occupied the market for portable digital players had the following disadvantages:

1. Inconvenient design. Devices were either very large, the size of a popular at that time CD player (not adding any advantages when using the device). Other "extremes" – the digital devices were too small and very user unfriendly.
2. Very limited capacity/memory. That is, digital players could only store up to 50-60 songs on average.
3. Batteries discharged very quickly. They usually only lasted for 45-50 minutes of continuous operation, after which they had to be or changed or recharged.
4. The software which allowed transformation of music into a digital format was quite difficult to use and was poorly adapted for average users. Often, the interface has been mainly made for “professionals”. Downloading music took some time, and software required additional power from the computer where it was installed.

However, these portable digital players were popular among consumers, especially young people,

because it has opened an opportunity for them to create their own playlists according to their desires.

From the perspective of consumers, two trends were evident. Firstly, there was an increase in the need for personalization, especially in music. This can be seen from a large number of semi-pirate sites that allow downloading of music online for free. In the University dorms, local networks were created that allowed its user to share their music archives. On the other hand, the record companies have problems with protecting ownership copyrights for music. At the time there was no single official program, through which the number of songs downloaded could be controlled. Record companies tried to fight the uncontrollable piracy by filing lawsuits against individuals.

The second trend which was obvious in the demands of the consumers was the need for a simplified way of using the device (more user-friendly). There was a need for a simple, user-friendly device that could be compatible with different software and with a functional design.

Today, even Apple cannot say exactly when the idea to create a universal digital player was first conceived. But this idea got a lot of attention from the company head Steve Jobs and it was him who insisted on the further and more detailed study of the existing problem in the market. When the required analysis was completed the work group came to a conclusion that on the market of portable digital gadget, there is a need for a universal device that is compact, user-friendly, has a sufficient memory capacity and could without frequent need to recharge. [33 p.57]

Thus, having received sufficient information about the needs of consumers, the company has allocated their best human resources to develop such a device. In their development Apple already had a prototype of software that allowed to easily transform music into a required digital format. That is why; some of the specialists were given the task to improve the existing design of the software, make a convenient and user-friendly interface. The result of this work is the creation of a special software for downloading music, known as iTunes. This program can be downloaded via the Internet and allows iTunes to transform the music from simple CDs to a MP3 format. With this program it is possible to edit your music, easily build a database and playlists

by genre (for sports, romantic collection, music by styles, etc.). Also an important advantage of iTunes is the ability to perform such operations very quickly, within minutes.

The next step for the company was developing a device that could sync very quickly with this program and to download updated playlists. In order to decide what this device it should look like and work, the experts had to define a target audience at whom this product was primarily directed. [45]

Defining the target audience for the iPod brand, or - “Who?” (for whom the brand is created)

As their target audience, the company chose people who love music and multimedia entertainment and strive for personalization in everything.

It was the right strategic choice, as this category of consumers is most open to new perceptions of the market; they are not afraid to try new products and are constantly looking for greater satisfaction of their needs. As potential consumers, developers of iPod defined the following groups:

1. Young people who are very pedantic and passionate about the music they listen to. They strive for maximum personalization and underlining of their uniqueness;
2. People who love listening to their music on the go, who need functionality and durability of the devices, to be able to listen to music anywhere (while traveling to University, to work, during recreational activities, etc.).

Data received in the company at the time during in-depth study of consumers can be grouped according to the Strategic Target holistic profile in the frame of the model of “Who? What? How?” as follows:

1. Demographic characteristics: consumers aged 16 to 30, studying or already have education, have an average income, source of income – parents or work;

2. Psychographic characteristics: extroverts, seeking to emphasize their individuality or vice versa, to belong to a particular social group that attracts them. Use certain things as a means of achieving their goal (to stand out or “belong” to a certain a category);
3. Attitudes and habits: self-expression through clothes and style, choice of music is another way to emphasize their individuality;
4. Demands from new products: maximum personalization, maximum portability, ease of use;
5. What do they use to make their choice, who do they listen to: Young culture, trendsetters in fashion and music, celebrities that are experts in the music field.

Building a brand concept iPod, or “What?” (What is offered to the target audience?)

So, having the necessary technological base and knowing what it is exactly that customers want, the development group of the brand iPod moved on to the direct development of the product and the brand under which the product was to be sold in the market.

In the previous section the brand building concept of “Who? What? How?” was studied. According to it, a brand is seen as imaginary pyramid. In its basis lay the features that are common (points of parity) and unique (points of difference) for the brand and other brands in the category. Based on this foundation brand attributes that define its character are formed. The final element, the top of the pyramid is the general idea that the brand carries. iPod brand concept can be easily illustrated by this method (which again proves its effectiveness).

The developers of this brand clearly saw that the market requires a revolutionary device that brings a fundamentally different attitude to the process of listening and selecting music. Therefore, as a foundation for its iPod brand developers laid the following features:

1. Point of parity - product under the brand with its properties belongs to the group of portable storage devices and recreation of different types of information (music, books, pictures);

2. Points of difference - the product provides maximum personalization of music and other multimedia content that is stored in the device. The software for this device allows quick and organized downloads of the desired content to the device of the owner.

Based on these two fundamental characteristics the "personality" of the iPod is built. For the maximum optimization of all the attributes that together form a brand it is necessary to use Brand Building Choice Wheel. This tool is used in the frame of the “Who? What? How?” concept to further examine each attribute and determine its effect on the overall “personality” of the brand.

Brand attributes of the iPod

Product: first of all everything should start from the product sold under this brand. This compact device that was initially onto the market in 2001 (first generation) was able to store 5 to 10 gigabytes of music, or approximately 1000-1500 songs. The first generation iPods were able to play music continuously for 10 hours without recharging. This device supported 10 different file formats, allowing its owner to download music and other information from various sources. The iPod was capable of playing different file format and the user did not need to waste time reformatting songs.

Design / appearance / texture: The developers spent a lot of time on designing many different product prototypes. As a result, the work group chose to go with a design with shiny plastic, and with only two design elements - display and a wheel shaped control, the “click wheel”.

The first generation of iPod that were introduced onto the market on 23 of October 2001 looked as follows: white body with glossy plastic, a 5in black and white bright screen, and a single element for control (“click wheel”) which appeared in a form of a wheel surrounding four buttons. The size of the device was slightly bigger than a pack of cigarettes, but much thinner. It fitted very nicely in the user’s hand. The design of the first iPod was so different from other devices performing similar functions, that it became revolutionary in its field and became one of the fastest recognizable brand attributes.

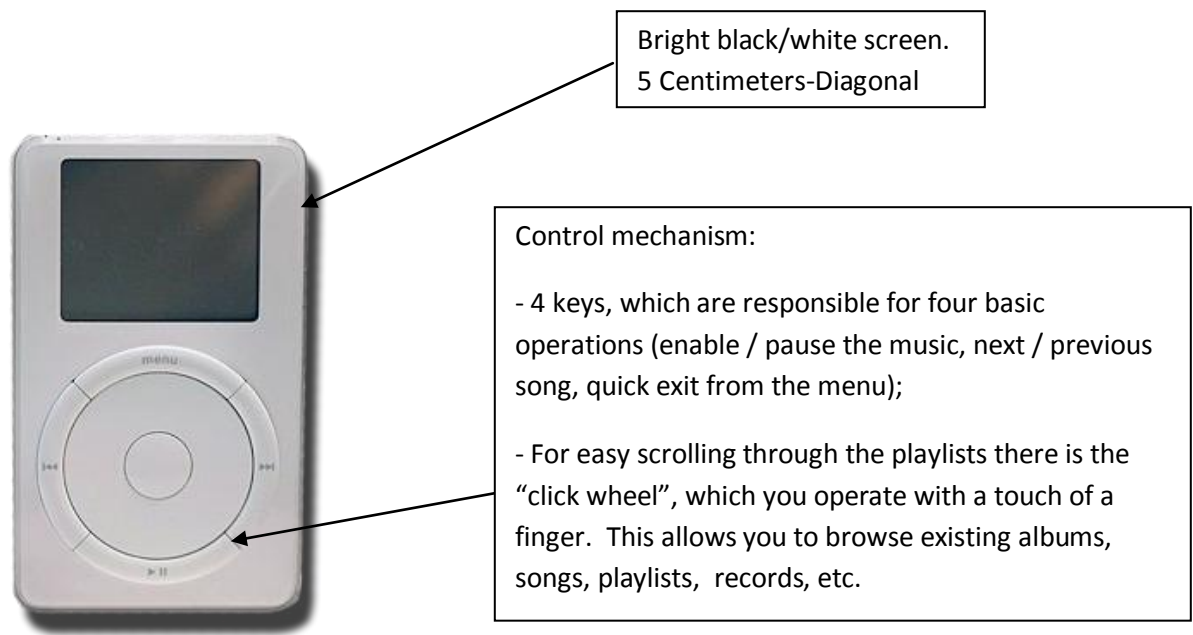


Fig.3.1. Design of the first generation iPod

Based on the sophisticated and elegant design of the device itself, the style of the brand was formulated. It was simple, minimalistic, with use of graphic silhouettes of white and neon colors.

Logo: all Apple products carry the same company logo – a monochrome apple. iPod was no exception.



Fig 3.2. The logo of Apple Inc

Product Name: iPod name was suggested by copywriter Vinnie Chieco, whose team was hired to develop an elegant name for the brand. The word "pod" means a detachable container of some kind. Functions that the device performed were very similar to those of a detachable freight container in a plane. In addition, the design of devices was highly technological which added even more similarity on the associative level. Therefore, without any hesitation, the team had decided that the word pod very accurately described the function of the device. Letter "I" was

added since all of the company products had it before their name (iMac, iTunes, iWork etc.). Thus the brand name iPod was created.

Product line of the brand throughout 9 years of its existence in the market has grown significantly. Currently there are five types of iPods:

1. iPod Classic. The line of the classic iPods that were a continuation from the very first generation that entered the market in 2001. Currently, the product line is at its 7th generation. (see Appendix 1 for the iPod timeline).
2. iPod mini. Reduced in size but similar to the classic iPod, was launched in 2004 and removed from production in 2006. It had much less memory than the classic model. Developed as a cheaper option for those who do not want to store as many songs.



Fig.3.3. iPod mini

3. iPod nano. Was released in 2006 as a replacement model for the iPod mini. A distinctive feature of this product line was that it was available in many different bright colors. However the technical characteristics were very similar to the previous model of iPod mini.



Fig.3.4. iPod nano

4. iPod shuffle. The smallest player in a series of iPods. Due to its small size, it was very convenient to be used during training and running. Initially this device had enough memory to store about 150 songs today it can store up to 1000 songs.



Fig.3.5. iPod shuffle

5. iPod touch. The latest innovation in the iPod product line. This iPod uses a completely innovative approach to use, as everything is controlled through a large touch screen that responds to finger touches and swipes. It also allows the user to watch movies at a very high definition.



Fig.3.6. iPod Touch

As a result, the iPod brand character is revolutionary, expressive, fun and young. Therefore, based on the brand attributes, its general idea was formed – to provide freedom to personalize

your own entertainment. The device allows its owner to enjoy music, books and videos anywhere and anytime, providing continuous operation for up to 36 (as of 2010) hours.

If you combine all the information about the iPod brand into the pyramid system “Who? What? How?”, its architecture will look like this:

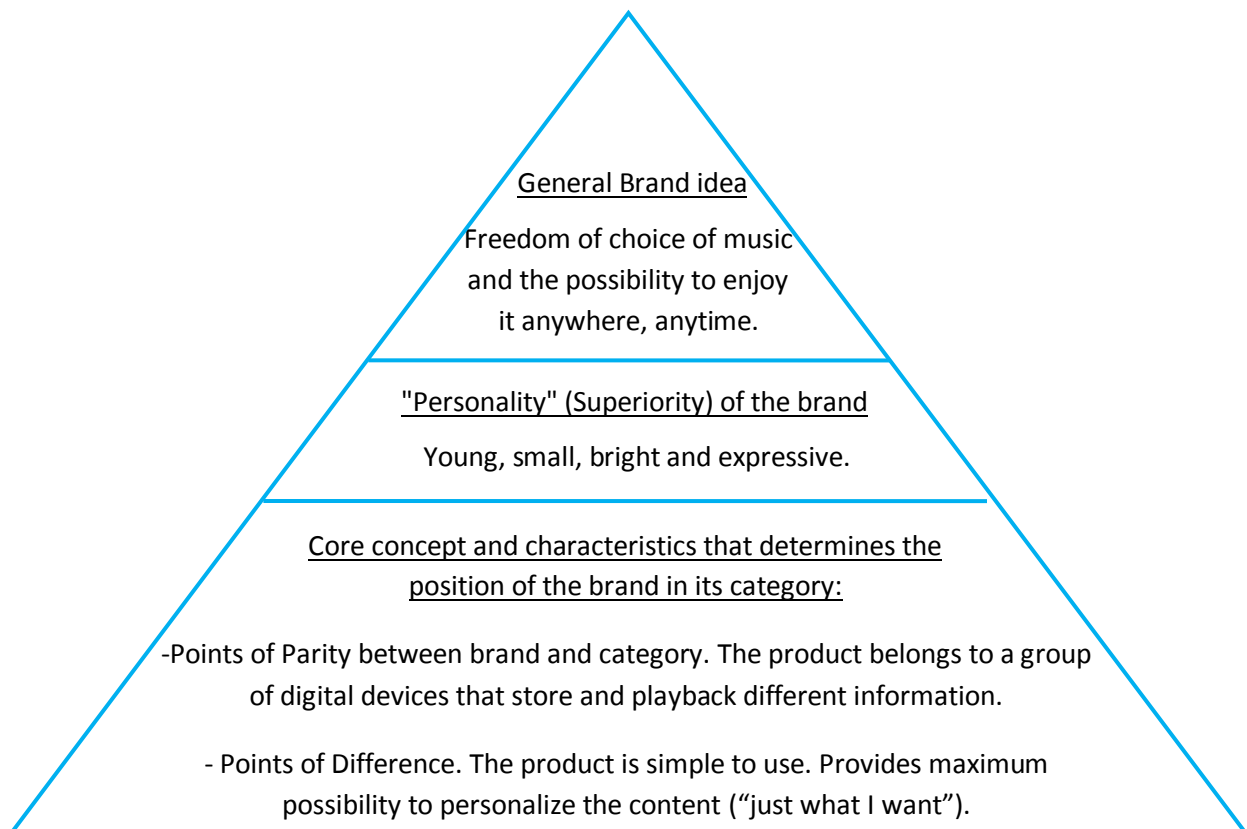


Fig.3.7. General architecture of the iPod brand

3.2. Creating a system of measures to implement the concept of the iPod brand

According to the concept of “Who? What? How?” the consumer learns and builds his/her internal brand perception in three stages. In this concept these stage are called “moments of truth”.

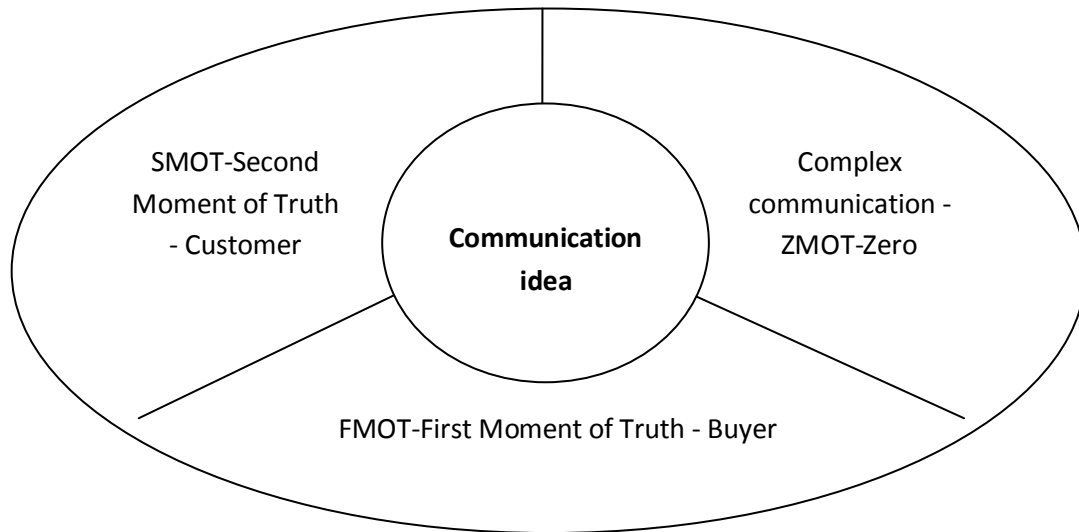


Fig.3.8. Interaction stages of the consumer with the brand

Therefore the process of creating a system of approaches to promote the iPod brand should be studied according to the same pattern.

Integrated Communication Process

To launch the brand in the market, the work group, together with the creative agency, develops the appropriate idea for the campaign. It was formulated as follows: “iPod creates a musical revolution by offering universal freedom to express yourself and enjoy the music the way you want”.

To emphasize the emotional component of this idea (freedom of self-expression and listening to the music as you want) a communication campaign name iPod Silhouettes was developed. The main visual images of the campaign were black silhouettes of people with white iPods in their hands, which represented close and known everyday moments where you would to listen to music (when running, dancing, skating, skiing etc.). These images were equally and successfully used in communication campaigns on television and other media channels.

Based on the progressive and young image of iPod, the following means of communication were chosen:

1. Television. An advertising video completely made entirely from computer graphics was developed and launched into rotation (see the advertisement elements in Appendix 2);
2. Outdoor advertisement. Large-scale campaign was launched with the use of outdoor advertising space. A standard A6 format billboards and custom large scale brandmauers were used. Those are the advertising banners occupied the entire area of the walls of the houses;
3. Press. Advertisement of iPod was placed in the most popular magazines of the young target audience. Parallel to that, next to simple promotional posters in specialized magazines, articles on novelty were placed, where professionals shared their opinions;
4. Internet. The company made an announcement, the launch of their new product on their corporate website. Also on the same site it was possible to download for free, the latest version of iTunes, that allowed the user to download/purchase music and other information for their iPod;
5. PR. This kind of communication campaign provided the greatest surprises. The novelty was first presented in Oprah Winfrey Show in here list of "favorite things", in the music video of the famous rapper 50 Cent and in the highly-popular nationwide entertainment show Saturday Night Live. This just helped to establish the super modern and fashionable image of the iPod;
6. Non-traditional advertising. During the process of promotion of the brand on the market, the work group use a whole set of innovative techniques that only helped "spark" interest in new products. Apple has used the so-called "buzz marketing". With this the company didn't even need to search and select professional moderators. It was enough to spread 2-3 rumors about the launch of the revolutionary device on the network and the users themselves developed this topic. During the final stages of preparation for product launch, users of the Internet began to independently create separate groups, where they discussed future novelty, expressed their expectations and made suggestions.

Currently, iPod brand products often are featured in video clips of famous artists and appear in movies. The company provides information support to all of its new products. Lately it is very popular to have special holiday offers (limited edition of devices in an exclusive color). Also, iPod released a series of devices with autographs made by U2, and with their latest album already installed on the purchased iPod. Today U2 Limited Edition iPods are very popular among the eBay buyers, where they are sold at a much higher price compared to the original.

The first moment of truth - the buyer experience

At the moment of the official announcement of the sales of the novelty, the company has made a large scale preparation and provided availability of the product in over 21,000 stores across the country. For comparison, to start the sales of a new Apple computer, the company provides availability in only 4,000 stores. That is, the company has made everything possible to build an effective and extensive distribution. Also, at the moment of the product launch in the market, the iPod was sold together with cases “socks”, headphones and a charger. Now, iPod accessories have their own a separate business division. The list of such accessories are: silicone covers of different colors, stickers, docking stations with a set of speakers that can play music at parties, special adapters to synchronize the player with a sound system in the car and many other accessories that create additional benefits to using the iPod. (See Appendix 3)

Products are sold through the official Apple stores (MacStore), and through a network of partners. Also, there is a widespread purchase of iPods via the Internet. On the website it is possible to order an iPod with a custom engraved message.

Second moment of truth - user experience

“iTunes” software represents the only possibility to download music and movies onto the iPod. Throughout the 9 years of the existence of the iPod and iTunes, the company has signed several contracts with record companies and now, through the iTunes website, you can buy any song.

This software is installed on the personal computer of the user. The program have a very user-friendly interface (See Appendix 4), which allows it to edit the music playlist, arrange them by genre or organize into albums, depending on the user's taste or preference. All this can be done without the iPod being connected. Also, the synchronization process of the iPod with iTunes is very convenient. It simply connects to a computer that is running the program and 3-4 minutes it edits the playlists according with the changes made by the owner: deletes unwanted, reorganizes the playlists and downloads new information.

If the user does not have access to the internet at home, he/she can use the network at the nearest MacStore. For this, in many store there are special "guest" terminals. Anyone, with an iPod, can connect to a free network and purchase and download the desired music or video. Payments are made online via a credit card.

The largest media portals: (bbc.com; Time; Financial Times) offer the download of the so-called podcasts. This is a video (or just audio) that contains the news fragment adapted specifically for the iPod that the user can choose.

The company provides service support for all of its products. If the device cannot be repaired it is replaced. If the model is no longer produced it is replaced by the next generation model.

3.3. Economic efficiency of the concept implementation of the brand iPod

In previous chapters of this section, there is an example of usage of the "Who? What? How?" model for the development of the iPod brand concept and its promotion to the market. The objective of this chapter is to analyze the financial performance of Apple since the launch of the new product to the market. The financial activity of the company is one of the quantitative indicators that can provide characteristic of how correctly the brand was developed.

In 2004, the activities of the iPod brand management, has been allocated into a separate direction of the company. This enabled the company to pay more attention to this product and to continue

to expand the product line. Thus, the iPod brand has become an "Umbrella" that combined under itself all of the company products in the category of portable digital players.

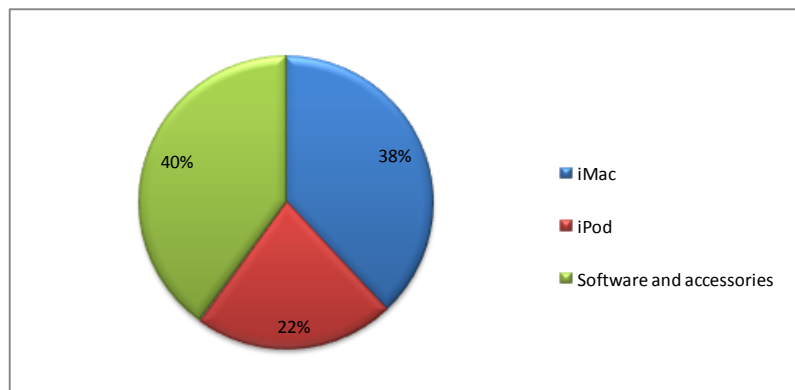
So, for according to the results of 2009, total sales of Apple were \$36.5 billion, of which:

1. Personal computers (iMac) - \$13.780 billion;
2. Portable digital players (iPod) - \$ 8.091 billion;
3. Software and accessories (iTunes, iMovie, iWork etc.) - \$ 14.666 trillion.

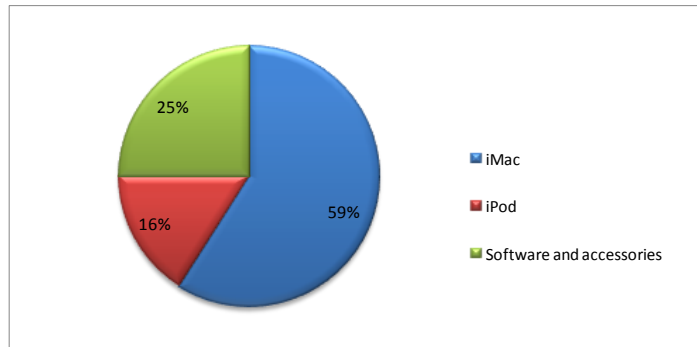
In 2009 the company received net income of \$5.704 billion that is a 18% percent increase compared with results of 2008.

So the 3 key areas of business of Apple represented in its total worldwide sales were composed as follows: 38% - iMac computers, 22% - iPods, 40% - software and accessories.

For comparison, in 2009, the share of business areas in Apple was divided as follows:



Graph 3.9. The share of business areas in Apple in total sales, 2009



Graph 3.10. The share of business areas in Apple in total sales, 2004

So, for the period from 2004 to 2009 the share of portable digital player of iPod brand has increased from 16% to 22% of the total company sales in the world. This was the indicator that the brand concept was developed successfully and implemented effectively. [60-63]

On the press conference, held in January 2008, the company chairman Steve Jobs announced that Apple has achieved sales target of 110 million units of iPods sold since its first launch in 2001. Average growth in sales is 25-30% annually.

A system of buying and downloading music through iTunes over the Internet in 2007 has carried out transactions for a total amount of \$2 billion.

Today, iPod is a kind of “icon” among multimedia gadgets. This device is located in the premium price segment. For example, iPod Classic 160GB costs about \$300. The company works closely with automakers such as Ford and VW, that offer option to install a docking set to connect an iPod to the car audio system. Thanks to its unique design and patented wheel click this device is easily recognized by consumers.

The device that once made a revolution on the market of personal portable digital players continues to surprise consumers by offering new ways for its use. The latest version of iPod

Classic lets you store and watch an entire library of movies that last over 1.5 hours. A special St. Valentines offer is the iPod nano in pink, was sold out within the first three days of its sales. The company Apple does not disclose the value of the iPod brand, but according to experts, the estimated market value of this brand can be about \$10 billion.

Conclusion to Chapter 3

In this section the example of developing the brand concept for portable digital player iPod has been illustrated by the practical use of “Who? What? How?” model. According to the stage of Assessing the Landscape, was given a brief description of trends, consumer demands and shortcomings of existing devices on the market of digital media, at the time of the development of the iPod player.

At the stage of defining the target audience (Who?), the current target and potential audience of consumers was determined and their main characteristics according to the model were defined. They were established as young people who are very careful and passionate about the music they listen to. They wish to have optimal personalization and underline their uniqueness.

At the stage of building the brand architecture (What?), an iPod brand structure was established. The key advantages, features and attributes were defined (product, logo, name, style) as well as the main idea, which the brand carries. Specifically: it is revolutionary, bright, expressive and young. Based on the brand attributes its overall idea was formed; to provide freedom to personalize their entertainment.

At the final stage of forming a system of measures to implement the concept in the market, a brief description of the basic elements of the communication strategy was given according to which the brand was launched on to the market.

As a result, some data from annual reports of Apple were provided that indicated the effectiveness of application of the model “Who? What? How?” as an approach to creating a brand concept.

Conclusion to work

Faced with an increase in competition among identical in their use products, simple packaging and advertising can no longer be considered the most effective means of product promotion. Considering this the concept of using brands in the trade policy of the company becomes more and more substantial. In particular, this applies to Ukrainian companies that are forced to compete with international corporations.

The objective of this work is to use the brand as an intellectual part of the product that finds its expression in relevant only this product name design and has a strong and stable communication with the customer. This concept includes the brand (name, timeframe, word, sign, symbol, design decisions or their combination, created to mark specific goods and services of a specific seller or a group of sellers to distinguish them among competitors) which is an official binding of the brand. Any brand can be a trademark, but not every trademark can be a brand. A brand is a much broader concept than a trademark. It is a combination of everything that the consumer takes into account when making a purchasing decision. It is the associations that are created in the minds of the consumers when they remember a certain brand, the emotions that the brand extracts from the consumer. It is a combination of consumer experience, from the very first "touch" of the product.

A brand consists of elements that are divided into rational and emotional. The rational elements are concentrated on the content of the brand communication, its offers and promises. They explain to the consumer what this brand can do/offer for him/her. Emotional elements are the so-called brand "feelings", that are its expression directed at the satisfaction of the spiritual needs.

Thus, the brand consists of the following elements: brand essence - logo, name, trademark; brand associations; brand values; brand awareness; brand heritage.

A classic brand concept development process is divided into five stages. First is the study of the market environment and the target audience, during which market conditions, competitors, market structure and so on are analyzed. Based on the information received the development of brand positioning begins. The main competitive advantages determined that will help to

distinguish the brand among competitors in the future. Based on the developed positioning the external attributes that will be communicated through the brand image are formed. The completed concept is tested on the consumers with the help of focus groups and in-depth interviews. If the test results of the concept satisfy the company the brand is launched onto the market.

Implementation of the developed concept takes place with a help of a marketing communications mix (promotion mix) – combination of certain methods of carrying information through which the connection with the target audience is established for any occasion.

There are 4 methods of building communication with the customer: advertising, direct sales, sales promotion and PR.

Introduction of the target audience to the new brand takes place once the customer goes through 7 steps: receiving information about novelty - understanding the superiority of the product and comparing it to the existing deals in the market - purchase - use - remembering - re-purchase - support / recommendations to friends.

Brand – is a dynamic concept that is constantly evolving and developing. The use of brands in trade policy of the company has several advantages for the company, and the manufacturer. For the consumers the decision making process to purchase is simplified, as they receive a guarantee of the constant quality and mean for self-expression. Manufacturers with brands increase their income through a premium price positioning, obtain the opportunity to develop new products under the famous brand, receive legal protection against counterfeit products.

The research object of this work paper is the concept of building a brand according to the “Who? What? How?” Brand Building Framework. This model promotes the idea of building a brand based on 3 platforms:

1. “Who?” Or identify a target audience (for whom);

2. “What?” Development of the brand itself taking into account the demands of the target audience (what they need exactly);
3. “How” forming a system of measures to implement the brand concept to life.

All of the mentioned platforms interconnect in a certain environment that should always be considered. Thus, combination of basic element of this system with a process of studying the surrounding environment, a so-called “landscape”, is called "Assessing the Landscape".

The Who? What? How? model offers an approach to the brand building process as the movement in the imaginary circle, from customer definition at whom it will be targeted through the creation of the brand to the planning of the system of means to implement the chosen concept. “Assessing the Landscape” stage considers three directions:

1. Analysis of key market factors (particularly category, competition, company position etc.);
2. Detailed, in-depth consumer research;
3. Developing alternative ways of brand building, modeling different behavior scenarios to the possible changes in the environment;

Analysis of the surrounding environment provides the best solution according to the three major platforms (Who? What? How?) and their ability to adapt to the changes in the future.

The “Who?” stage takes into account segmentation of the customers and selection of the appropriate target audience, at whom the future brand will be oriented at. In other words, “those for whom this brand will exist are defined”. Various characteristics of the target audience are studied profoundly (i.e. demographic composition, psychographic characteristics). The conclusions that the marketers obtain in the process of studying the customers serve as the basis to the direct development of the brand concept.

The “What?” stage concerns the building of brand itself, determining its architecture/structure. Within the proposed concept, the brand is regarded as an imaginary pyramid. The basis of the

brand is the features on which the brand positioning is developed. In positioning different attributes of the brand (packaging, name, logo, etc.) are composed to make up its "personality". At the top of the pyramid the identity of the brand is formed which is the overall embodiment of all its fundamental features and attributes. Identity is a single characteristic that the consumer should associate with the brand.

The "How?" stage includes the development and formation of steps that embody the brand. In fact, the campaign for the brand promotion to the market is being developed. This campaign is multileveled and involves different channels of communication and a complete cooperation and interaction among its elements. The final stage of brand concept implementation involves cooperation with the advertising and media agencies.

Thus, the "Who? What? How?" model offers a much easier and more structured approach to brand development, which is based not on the perceptions of the manufacturer but on the customer needs and wants. This trait is a major competitive advantage of this model among others.

As can be seen from the brand development of the portable digital player iPod, used as an example in this work paper, the practical use of this model is analyzed and a short evaluation of its effectiveness is performed.

Using the "Who? What? How?" model is essential to the company. This model allows the company to reduce their expenses for the development of the new product and provide new methods for its implementation.

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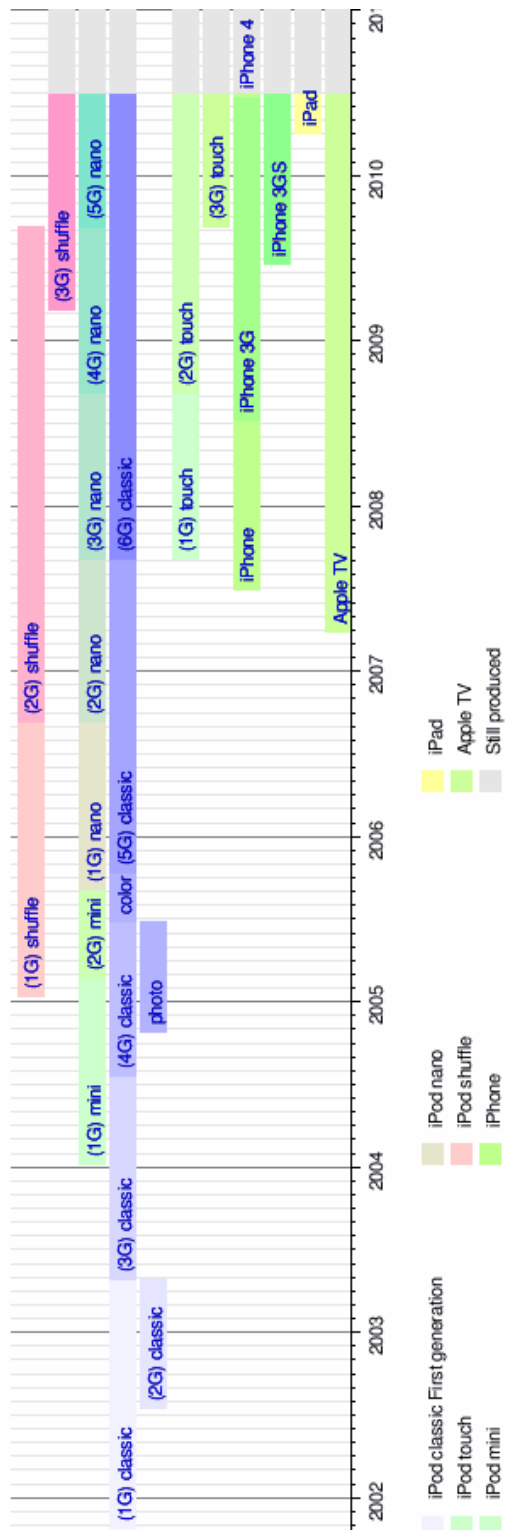
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Annexes

Appendix 1. Timeline of iPod models



Appendix 2. iPod advertisement elements



Appendix 3. iPod accessories



iPod Socks



In-Ear Headphones



iPod Hi-Fi earphones



iPod Speakers



Bose iPod Speakers



Nike & iPod Sensor

Appendix 4. iTunes interface

