

## **Building a Global Brand for SME**

### **Case: DAP Services a.s.**

Evgenia Kahánek

Master's Thesis

Degree Programme in International

Business Management

2015



Degree programme in International  
Business Management

<p><b>Author or authors</b> Evgenia Kahánek</p>	<p><b>Group or year of entry</b> IBMA 2009</p>
<p><b>Title of report</b> Building a Global Brand for SME Case: DAP Services a.s.</p>	<p><b>Number of report pages and attachment pages</b> 105 + 9</p>
<p><b>Supervisor</b> Matti Helelä</p>	
<p>This study is a case assignment for DAP Services a.s., a consulting company operating in Czech Republic and having a wide partner network in a number of countries in Europe and outside it. The thesis aim is to clarify how a company that belongs to the category of small and medium-sized enterprises can build a strong global brand.</p> <p>DAP Services a.s. has an intention to become a globally recognized brand. There were certain steps taken towards that direction, and now there is a need to develop a structured plan on how to build a strong global brand, which became the objective of this thesis. The research question is: “How to build a strong global brand for DAP Services?” This question guides the research process of this thesis – starting from the theoretical part, which evolves into the theoretical framework, and all the way through the empirical study.</p> <p>The theoretical part covers relevant concepts and theories in the field of branding – brand equity, brand identity, brand building, global branding, brand management in SME – and presents a theoretical framework, which serves as a baseline for the empirical part of the thesis.</p> <p>The empirical study was completed in cooperation with DAP Services board of directors, selected employees, business partners of the company from several countries and clients. This research is a qualitative study with multiple methods applied for data collections and analysis.</p> <p>The result of this study is a plan, or a guideline, for the case company to develop a global brand. The plan lists the major steps to be taken to build a strong global brand and practical recommendations on the improvements of current brand building activities. Some of the recommendations have already been successfully implemented during the thesis writing process. There is a plan to fully pursue the branding plan during the course of the years 2015-2016.</p>	
<p><b>Keywords</b> Brand, brand identity, brand equity, global brand building, international branding, SME brand management, colour associations, diagnostics, case study, qualitative research</p>	

# Table of Contents

1	Introduction .....	1
1.1	DAP Services a.s.....	1
1.2	Objectives and research question .....	4
1.3	Implementation and thesis structure .....	5
2	Branding.....	7
2.1	What is brand? .....	8
2.2	Brand identity and brand image .....	9
2.3	What is brand equity?.....	11
2.4	Why branding? .....	13
2.5	How to build a brand?.....	15
2.5.1	Aaker's Brand Identity Planning Model (BIPM) .....	16
2.5.2	Keller's Brand Resonance Model.....	18
2.5.3	Gad's 4D Branding model and The Brand Code.....	21
2.6	Co-branding.....	26
2.7	International and global branding.....	28
2.7.1	Global vs. international .....	28
2.7.2	Global brand equity.....	29
2.7.3	Developing vs. developed markets .....	30
2.7.4	Building global brand.....	30
2.8	Brand management in SMEs .....	34
2.9	Theoretical summary and framework .....	37
3	Research methodology .....	43
3.1	Research philosophy and approach.....	43
3.2	Research method and design .....	45
3.3	Data collection .....	47
3.4	Data analysis.....	49
3.5	Reliability.....	50
3.6	Validity .....	51
4	Brand building process for DAP Services.....	52
4.1	Agreeing on definitions .....	52

4.2	Conducting brand analysis .....	53
4.2.1	Customer analysis .....	53
4.2.2	Competitor analysis .....	57
4.2.3	Self-analysis.....	59
4.3	Defining global brand identity.....	67
4.3.1	Brand as a product .....	67
4.3.2	Brand as organization .....	70
4.3.3	Brand as person .....	73
4.3.4	Brand as symbol.....	73
4.3.5	Value proposition .....	74
4.3.6	Credibility.....	75
4.4	Defining global brand architecture .....	76
4.5	DAP Services brand identity resume.....	79
4.6	Implementing global brand identity .....	80
4.6.1	Global brand position.....	81
4.6.2	Brand comms execution.....	81
4.7	Tracking and measuring brand equity .....	84
4.8	Finding balance between standardization and customization .....	85
4.8.1	Case: entering Russian and CIS markets.....	85
4.8.2	Case: introducing SoftSkillers product.....	88
5	Conclusions and further development.....	92
5.1	Global brand building for DAP Services.....	92
5.2	Further research.....	95
5.3	Author self-evaluation .....	96
5.4	Acknowledgements .....	97
	Bibliography .....	99
	Appendices .....	106
	Appendix 1. Acronyms and terminology used in the thesis .....	106
	Appendix 2. The evolution of branding concepts .....	107
	Appendix 3. Figure 2 .....	108
	Appendix 4. Figure 3 .....	109

Appendix 5. List of topics for the in-depth interviews and focus groups with company employees .....	110
Appendix 6. Questionnaire for the structured interview with company business partners .....	111
Appendix 7. Questionnaire for the structured interview with the company customers.....	113
Appendix 8. Visual imagery ideas for DAP Services solutions.....	114

# 1 Introduction

World maps delineate national boundaries, but they acquire more and more transparent nature from the global economy perspective. Increasing globalization, trade liberalisation, improved logistics and communications infrastructures create a natural business environment for the companies of any size and industry to engage in international operations. That, however, makes them face a great deal of competition and challenge to maintain sustainable growth. Developing a strong brand is therefore an essential endeavour the company should invest into in order to remain competitive and ensure long-term growth perspectives.

Traditionally branding is associated with big multinational corporations and successful global brands, which are listed in the branding literature as demonstrative examples. However, small businesses are brands as well, and making those brands stronger not only brings companies a competitive advantage, but also helps communicate its core values and the quality of its products, increase its recognition, customer's loyalty and patronage (Martins 2014). There is a number of challenges, though, that small and medium enterprises meet when faced by the need to build and manage their brand. Those challenges are all about the lack of resources – be it financial, managerial, tools, or just a lack of knowledge on how important the strong brand can be. Obviously, it is hard for a small company to become a brand leader in their field (Patten 2008, 20), however, this thesis argues, that pro-active brand management can be beneficial for both large companies and small and medium enterprises (SMEs), and that SME is certainly capable of building a strong global brand.

## 1.1 DAP Services a.s.

This thesis is a case study focusing on building a brand for the consulting company, which falls under the category of small and medium enterprises (SME). The company used for the study is DAP Services a.s., situated in the city of Ostrava – the third largest city in Czech Republic and the administrative center of the Moravian-Silesian Region and of Ostrava-City District (Ostrava, 2013).

DAP Services a.s. is a consulting company that provides a number of solutions developed based on the Colour-Word Association Technique (CWAT). CWAT measures patterns of behaviour using a colour scale instead of traditional questionnaires or surveys, provoking a response that cannot be consciously influenced, ignored or interrupted. This technique combines psychology with scientific knowledge from neuroscience, medicine, biology, mathematics, sociology, statistics and information technologies (DAP Services site, 2014). Palette of eight coloured spheres arranged in circle and a set of calibrated words are used to gather person's responses online through so-called "Online scanner". Each response is an association between a particular word and 3 colours, which to person's opinion "fit" the most to that word (Figure 1). DAP Services systems evaluate these responses and accurately describe how person experiences and processes information.

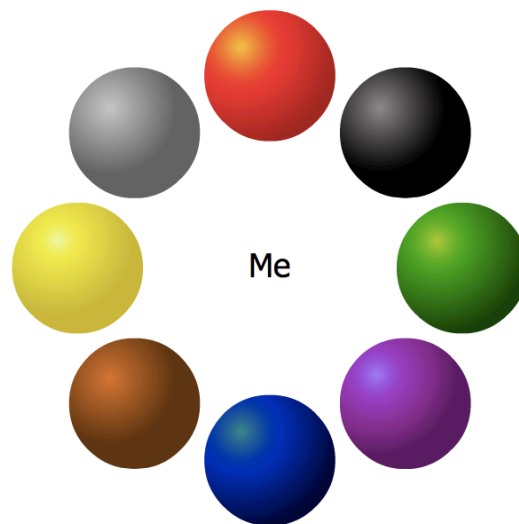


Figure 1. Online scanner: collecting word-colour associations.

With such simple user interface, CWAT is suitable for people from any age category (it is used even in kindergartens in Czech Republic and Poland), any educational background, language, culture, and doesn't require any previous experiences with any type of testing or measuring. The method is empirically justified, clinically proven and patent protected.

There are four solutions created by DAP Services based on CWAT: market research, human resources, education and sport. The fifth one, health care, is a new one and is

currently under development. Those can be considered as the areas in which DAP Services diagnostics is used currently. Within each solution there is a number of different products and services, created either by DAP Services solely or jointly with partners through co-branding. DAP Services solutions, products and services will be discussed in detail in the practical part of this study within the context of branding.

The main thing DAP Services possesses is the unique method of psychometrical diagnostics, which can be utilized for numerous purposes and in different industries. Products created based on that method are being sold not only in domestic market, but also in Slovakia, Austria, UK, Poland, Serbia, Germany, Israel, USA, Russia, Kazakhstan, Bosnia and Herzegovina, Slovenia and Croatia. Pilot projects are being prepared for several other countries as well. In order to maintain their business, DAP Services have created a network of partners both in Czech Republic and in those countries where it has customers. As the CEO of the company said, having a close cooperation with business partners is a crucial aspect for the company's successful business: local partners have the best knowledge on the local business, language and culture; they have their network of clients; they possess necessary skills to provide the best service to the local customers; and they know how to supplement DAP Services products with "missing" components like consultations, trainings, soft skills development packages, etc, so that the offer to the customer would be an integrated solid solution, which has a great added value. That's why the main strategic business approach that DAP Services adopted several years ago was to find local partners, supply them with the license to use the diagnostics method (by teaching how to use it and interpret the results), and work together closely to make sure the customers are provided with the best service. On the high level the division of the responsibilities between DAP Services and their partners is such: DAP Services provides the licence for the diagnostics method, the product (as-is, adjusted or developed from scratch in cooperation with partners) and support (in both IT and psychological spheres); and local partners find customers, participate in the joint product development (if required), does the marketing and sales, provide the service to the customer, and maintain the relationships with them.



During the last years the company has been developing well, many new projects have started and successfully continuing till now, new partners came into picture, new clients from different countries invested into DAP Services products and happily continuing the cooperation further. However, with all the great products, services and solutions, DAP Services, as any other company than belongs to the category of SME, has its own challenges. The main ones are lack of resources (capital, knowledge, management), struggling with high competition, finding proper and reliable partners, and securing the customer base. Doing business internationally opens new opportunities, but certainly adds on to those challenges as well. There are numerous companies world wide providing personnel evaluation and skills analysis, different types of testing /diagnostics, and various trainings. They all have their niche on the market, certain reputation, history; and for the new company, however good and useful products or services it has, would be quite difficult to make its way through the high competition. In this light, what management of DAP Services should concentrate on, is creating such an image of the company and its products (whether it is DAP Services itself or a partner company that uses DAP Services methods at its core), that would eliminate any anxiety, and potential customers would be able to recognize the unique value proposition, willing to try it, and eventually feel themselves happy and satisfied as the users of the end products. With such approach, I believe, the concept of branding and building a strong brand identity is what will help DAP Services to make a big step in overcoming their challenges and gaining a stronger position in international market.

## **1.2 Objectives and research question**

The discussion with company CEO confirmed the intention of DAP Services to become a globally recognized brand, and although there were some steps taken already to establish the brand, there are no guidelines or structured plan on how to build it yet. Such plan is certainly needed, so that's how the idea of developing the guidelines on building strong global brand for DAP Services was born.

This leads us to the main objectives of the thesis: to create a branding plan for DAP Services. In order for such plan to be practical and relevant it has to provide clear guidelines on how company that belongs to the category of SME can build and main-

tain a strong global brand. In addition to that, the implementation suggestions of that plan are to be given and some implementation work to be started during the process of Master's thesis preparation.

The research question is “How to build a strong global brand for DAP Services?”

The sub-questions are:

1. What does brand and branding mean?
2. What constitutes a brand?
3. How to build a brand?
4. How to build a global brand?
5. How to build a brand for an SME?
6. What is the current DAP Services brand image?
7. What can be a suitable brand identity for DAP Services?
8. How to implement brand identity and measure brand equity for DAP Services?

### **1.3 Implementation and thesis structure**

This thesis consists of two major parts: theoretical framework and practical development of the global brand-building plan for DAP Services. Theoretical framework serves as a foundation for the thesis, and is developed through literature review. The sources used are relevant books on branding and marketing, scientific articles, academic magazines, and reliable Internet sources. I found the most relevant authors for the thesis topic are Aaker, Keller, Kotler, Kapferer and Gad.

The empirical part of the thesis is a practical development of the branding plan for the case company. Theoretical framework is used as a solid basis for this part. There is a number of diverse methods to be used for developing a branding plan: (a) analyse both internal (e.g. strategy documents) and external (websites, marketing material) secondary data of DAP Services; (b) analyse external secondary data of DAP Services selected competitors; (c) conduct in-depth interviews with case company CEO, selected management, and several representatives from partner companies and clients; (d) use group interviews to get the insight from the interactive discussion between the partici-

pants; (e) use unstructured on-site observations while involved in DAP Services daily routine work; (f) apply inside knowledge gained during my thesis work for DAP Services: discussion with colleagues, and communication with partners and end customers.

## 2 Branding

This section is devoted to the development of the theoretical framework for this study. According to (Yin 2009, 35-36), for case studies, theory development as part of the design phase is essential, whether the ensuing case study's purpose is to develop or to test theory. This theory should by no means be considered with the formality of grand theory in social science, nor one is being asked to be a masterful theoretician. Rather, the simple goal is to have a sufficient blueprint for the study and a basis for theoretical framework. This is exactly the purpose of this chapter.

Brands and branding are by no means a new phenomenon, neither for academics nor the business world, however it has not always been a matter of attention, not even for companies with an understanding of the possible advantages of a strong brand (Hampf & Lindberg-Repo 2011, 1). For a long time, an uncertainty existed as to how much companies should emphasize their brands and how much the average customer cared about those brands. The research on how important brands were in the purchasing process was conducted in the year 1965 with the focus on an everyday product. The results revealed that consumers wanted products with a well-known brand and that only 25% of the respondents did not pay attention to the brand at all (Marquardt et al. 1965 in Hampf & Lindberg-Repo 2011, 2). But even regardless those results, the evolution of branding theories had already begun – at the point when Smith (1956) has founded the concept of segmentation. Hampf & Lindberg-Repo (2011) give a comprehensive overview of the development and evolution of branding theories, presenting 15 milestones of branding (Appendix 2), and placing them to the evolutionary map of all the casual connections among those 15 branding concepts presented on figure 2 (Appendix 3). Such overview leads naturally to the main questions and definitions that need to be presented in order to move further to the existing models and build a theoretical framework in the light of the defined research questions.

Further in this chapter, the basic notions and definitions around branding are described, including the concept of brand, brand image, brand identity, brand equity, what does brand include and why is it important. Then, three brand-building models

are described (based on Aaker, Keller and Gad), the specifics of building a global brand for SME are considered, and, finally, the theoretical framework for the study is outlined.

## **2.1 What is brand?**

The history of the word “brand” goes back a long way. It originated as a noun, but then gradually became a verb as well. In simple words, to brand something is to make it more valuable, whether it is a company, product, service, event, yourself or a piece of art (Gad 2001, 21). The concept seems to be quite simple. However, so far there is no agreement yet on a common understanding of what a brand is (Maurya & Mishra 2012, 122). This makes brand management more complex, since the agreement on the common definitions of such terms as brand, brand equity, brand identity, brand personality are missing (De Chernatony 2006, 8; Kapferer 2008, 9; Keller 2013, 30; Maurya & Mishra 2012, 129).

The traditional definition of brand by Aaker from 1991 specifies it as a “distinguishing name and/or symbol (such as logo, trademark, and package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors.” (Aaker 1991, 7). This definition of brand was limited to such functions of brand as identification, differentiation, ownership and legal protection. Five years later, Aaker broadened his own brand definition, now emphasising that brand is more than a product, that it does not only encompass product attributes but also other tangible and intangible aspects such as organizational associations, symbols, brand users, brand-customer relationships, and emotional benefits (Aaker 1996, 73-74).

The definition of brand by Keller states that brand is a “name, term, sign, symbol, or design, or combination of them” meant to differentiate and identify goods and services. On top of that, according to many practicing managers, brand is something that has created a certain amount of awareness, reputation and prominence. Similar to Aaker’s definition, brand is more than a product since it has attributes differentiating it from other products intended to satisfy the same need (Keller 2013, 30-31).

Another, bit more abstract, definition says that brand is the product as it is experienced and valued by customers in everyday social life. That value is perceptual and shaped by the subjective understandings of customers. The verb “to brand” refers to all the activities that shape customer perceptions, particularly, the firm’s activities. Branding, hence, is a management perspective that focuses on shaping the perceived value of the product as found in society (Lal et al. 2005, 544). The author suggests thinking of a brand as the culture of the product, and defines the concept of *brand culture*, according to which products acquire meanings, or connotations, as they circulate in the society. Over time those meanings become conventional and widely accepted as “truths” about the product. Brand culture has a great influence on the customer value: brands serve as “containers” of reputation shaping perceived product quality, acts as a perceptual frame guiding consumers and shaping their product experiences, communicate trustworthiness of the firm shaping relationship perceptions, and act as symbols that express values and identities (Lal et al. 2005, 547-549).

Ultimately a brand resides in the minds of consumers. The task of marketers is to teach consumers “who” the product is – by giving it a name and other brand elements to identify it, as well as what the product does and why consumers should care. Branding creates mental structures that help consumers organize their knowledge about products and services in a way that clarifies their decision-making and, in the process, provides value to the firm. For branding strategies to be successful and brand value to be created, consumers must be convinced there are meaningful differences among brands in the product or service category. Marketers can apply branding virtually anywhere a consumer has a choice. It’s possible to brand a physical good, a service, a store, a person, a place, an organization, or an idea (Kotler & Keller 2012, 243).

## **2.2 Brand identity and brand image**

In this thesis the concepts of *brand identity* and *brand image* play quite an important role, and those two are understood the best when considered together and in comparison to one another. The way brand is perceived by the public is called brand image. The way strategists want the brand to be perceived is called brand identity, and this is central

concept to a brand's strategic vision (Aaker, 1996). Table 1 lists the differences between brand identity and brand image, which support Aaker's definitions.

Table 1. Differences between brand identity and brand image (MSG 2013).

	<b>Brand Identity</b>	<b>Brand Image</b>
1	Brand identity develops from the source or the company.	Brand image is perceived by the receiver or the customer.
2	Brand message is tied together in terms of brand identity.	Brand message is untied by the customer in the form of brand image.
3	The general meaning of brand identity is "who you really are?"	The general meaning of brand image is "How market perceives you?"
4	Its nature is that it is substance oriented or strategic.	Its nature is that it is appearance oriented or tactical.
5	Brand identity symbolizes firms' reality.	Brand image symbolizes perception of customers
6	Brand identity represents "your desire".	Brand image represents "others view"
7	It is enduring.	It is superficial.
8	Identity is looking ahead.	Image is looking back.
9	Identity is active.	Image is passive.
10	It signifies "where you want to be".	It signifies "what you have got".
11	It is total promise that a company makes to customers.	It is total customers' perception about the brand.

The closing note of the table "Focus on shaping your brand identity, brand image will follow" summarises well on what the table itself intends to deliver to the reader.

To avoid the brand image and brand identity to become as one, the brand image should always reflect the present perception of the brand while the brand identity reflects the aspirational goal of the brand (Aaker 2010, 69-70). The concept of brand

identity is to be considered in more detail in the description of Aaker's Brand Identity Planning Model (section 2.5.1).

### **2.3 What is brand equity?**

Brand equity is one of those concepts in branding theory, which has been defined a number of different ways for a number of different purposes. Despite many different views, however, there appears to be a certain agreement that brand equity consists of the marketing effects, which can be uniquely attributed to a brand (Keller 2013, 57).

Aaker (1991, 15) defines brand equity as follows, "*Brand equity* is a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to the firm and/or to that firm's customers". In other words, brand equity shows what the value of the company is (in the eyes of the consumers) and where it comes from. Worth of mentioning, Aaker hasn't changed the definition of brand equity even 19 years later (Aaker 2010, 7-8). The bottom line is that brand equity is a set of assets; hence, the management of brand equity involves investment to creation and enhancement of these assets.

Aaker identifies four main dimensions of brand equity, which are brand loyalty, brand awareness, perceived quality and brand associations. Each of those assets creates value in different ways and must be taken into account when making decisions about brand building.

The *brand loyalty* is often the core of a brand's equity. It is a measure of the attachment that a customer has to a brand. It reflects how likely a customer will be to switch to another brand, especially when that brand makes a change, either in price or in product features. The brand loyalty represents a strategic asset, since (a) it can help to reduce marketing costs, as retaining customers is usually less expensive than gaining new ones; (b) existing loyal customers can help to attract new customers and provide reassurance; (c) brand loyalty can provide companies with trade leverage; and (d) it gives companies time to respond to competitive threats. Brand loyalty can be built and maintained by treating the customers in a respectful way, staying close to customers, measuring and



managing customer satisfaction, creating switching costs (for example by rewarding loyalty), and by providing unexpected extra services (Aaker 1991, 39-52).

*Brand awareness* refers to the strength of a brand's presence in the consumer's mind. It is measured according to the different ways, in which consumers remember a brand: if they recognize or recall the brand as a member of a certain product category (Aaker 2010, 10). The value of brand awareness is that it (a) serves as anchor for associations; (b) provides a sense of familiarity – and people like the familiar; (c) serves as a signal of presence, commitment and substance (the logic is that if the name is recognized, there should be a reason for it); and (d) provides a higher chance for the brand to be even considered when consumer has to choose from the set of brands. There are several guidelines that Aaker provides in order to achieve awareness: be different and memorable, establish a slogan with strong links to brand and product class, use a catchy jingle and symbol, create publicity, organize sponsoring events, use brand cues and develop brand recall through repetition (Aaker 1991, 63-76).

*Perceived quality* can be defined as the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives. Perceived quality is a perception by customers, and hence, it differs from actual or objective quality, as well as from product or manufacturing quality. Perceived quality has direct influence on brand loyalty and purchase decisions. It can solely become a reason-to-buy, serve as positioning criterion, allow charging a price premium or offering superior value for a competitive price, as well as be a good aid in gaining distribution and introducing brand extensions (using the brand name to enter new product categories). Perceived quality can be influenced by product and service quality dimensions, such as performance, features, reliability, durability, serviceability, competence, responsiveness, credibility, and empathy (Aaker 1991, 85-100).

A *brand association* is anything “linked” in memory to a brand. Brand associations are at the heart of brand equity as they can directly or indirectly influence purchase decisions. Brand associations create value since they can (a) serve to retrieve, process and summarize information and facts; (b) help differentiate and position a brand; (c) be a rea-

son-to-buy; (c) stimulate positive feelings and attitudes; and (d) serve as a basis for brand extensions. A brand image is a set of associations, usually organized in some meaningful way. At the same time, brand associations are driven by the brand identity – what the organization wants the brand to stand for in the consumer’s mind. A key to building strong brands, then, is to develop and implement a strong brand identity (Aaker 1991, 109-113; Aaker 2010, 25).

According to Keller, *brand equity* is customer-based and “is the differential effect that brand knowledge has on consumer response to the marketing of that brand. A brand has positive customer-based brand equity when customers react more favourably to a product and the way it is marketed when the brand is identified than when it is not.” So, customer-based brand equity (CBBE) arises from the differences in consumer response, and those differences are a result of consumers’ knowledge about the brand, that is, what they have learnt, felt, seen, and heard about the brand as a result of their experiences over time (Keller 2013, 69). Brand awareness, in its turn, consists of recognition and recall; and brand image is made up from customer associations. Deep and broad brand awareness and unique, strong and favourable associations to the brand held by customers are the main sources of brand equity (Keller 2013, 73-79). Added value that the positive brand equity can bring to companies includes perception of better product or service performance, greater brand loyalty and less vulnerability to competition, larger margins, better trade cooperation and support, increased marketing communication effectiveness, better opportunities to grow through licensing and brand extensions (Keller 2013, 363).

## **2.4 Why branding?**

Before going into the branding models, it feels important to open a question of why is it at all important to do the branding. It just seems logical after the understanding of “what” and before defining the “how” to get the explanation “why”. Gad (2001) presents a list, which I think is very relevant and clear in bringing up the reasons for investing enterprise resources in branding activities.

### *The price driver (price premium)*

The market winner is usually the brand with the most coherent positioning in people's minds. Such brands are often preferred over less coherent competitors, although competitor in fact might have better products or services. Well-known paradox is that a product that's not as good can be more expensive and have larger market than the better cheaper product. So the classic reason for building a brand is its ability to produce a higher margin (Gad 2001, 23-24).

### *The volume driver (volume premium)*

It's a simple fact that well-known brands usually create larger audience and market, than a less well-known brand. Some brands are originating as a volume brands, and often with a low price. Such setup usually requires giving up something: convenience, service or something else (Gad 2001, 28).

### *"Vaccination" against disaster*

No business is ensured against the possibility that something can go wrong. Even the best brands make mistakes, but only the strongest can get a second chance. A very demonstrative example is an "elk-test" failure of the small A-class Mercedes-Benz car, which was a big disaster with the car ending up on its roof. However, the strength of the brand not only allowed the product to recover, but it helped the A-class car to become one of the trendiest in Europe. Gad (2001, 33) calls such amazing recovery power of a strong brand the *vaccination* effect.

### *The financial value*

One of the strongest motivations for investing in the brand is an effect it has on the financial value of the company that owns the brand. The basis for this brand value is usually called *brand equity*, which is an added value that allows charging higher price for the products of that brand than for the less well-known alternatives (Gad 2001, 34).

### *Shorter lifecycles*

The shorter lifecycles of products and services in the rapidly changing world shifted the focus from the products and services themselves onto the brand. Products come and go, but the brand is here to stay (Gad 2001, 35).

### *Propelling the company*

A strong brand has a beneficial effect on the relationships with all the major stakeholders in your business. A strong brand attracts the best people and the brightest brains, and people are ready to work for lower salaries, less benefits, while making fewer demands for personal development. This shows clearly that people do not work for money, but for something to believe in, and for something to give them an identity. The stronger the brand, the more patient the shareholders are, and the easier it is to handle public opinion. The positive benefits of being a well-known, good, open, and positive brand are truly enormous (Gad 2001, 36-38).

## **2.5 How to build a brand?**

Building a strong brand is both an art and a science. It requires careful planning, a deep long-term commitment, and creatively designed and executed marketing (Kotler & Keller 2012, 241). There is a number of marketing concepts, like segmentation, targeting, differentiation, positioning, and the concept of brand identity, which can be considered a useful starting points in the process of building the brand. *Segmentation* involves dividing the market into distinct groups (segments) of customers based on their needs, characteristics and behaviours. *Targeting* means evaluating each segment's attractiveness and selecting one or more of them to enter. A company should target segments in which it can profitably generate the greatest customer value and sustain it over time. When the decision about the segments to enter is done, the company should determine how to differentiate its market offering for each targeted segment and what positions it wants to occupy in those segments. In that sense, *positioning* can be determined as arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers. One has to always bear in mind, though, that effective positioning begins with *differentiation* – actually differ-

entiating the company's market offering so that it provides more value to the consumers (Kotler & Armstrong 2014, 73-76).

Brand identity can be considered as a key concept for building strong brands. It provides direction, purpose and meaning for the brand. It's central to a brand's strategic vision and the driver of one of the four principal dimensions of brand equity: associations, which are the heart and the soul of the brand. In contrast to brand image, which consists of a meaningful set of customer associations, brand identity is created and maintained by brand strategists (Aaker 1996, 68). Aaker's Brand Identity System is one of the best-known conceptualisations of brand identity, and his Brand Identity Planning Model (BIPM) is the only one providing tools and theories on all the aspects regarding the creation of brand identity. That's why I'm introducing it as a first one (section 2.5.1).

### **2.5.1 Aaker's Brand Identity Planning Model (BIPM)**

The graphical presentation of Aaker's Brand Identity Planning Model is introduced on the Figure 3 (Appendix 4). It consists of 3 building blocks: (1) Strategic brand analysis, (2) Brand identity system, and (3) Brand identity implementation system.

#### *Strategic Brand Analysis*

Developing a brand identity starts with a *strategic brand analysis*, which consists of customer, competitor, and self-analysis. This helps to understand fully what are the needs and the conditions that the three above mentioned aspects pose upon the brand. *Customer analysis* involves an analysis of customer trends, motivations, segments, and unmet customer needs. *Competitor analysis* looks at the major competitors' brand image and position, their strengths and vulnerabilities – not only the current state, but the future trajectory as well. *Self-analysis* examines the existing brand image of the company, brand heritage, brand's strengths and weaknesses, the "soul" of the brand (vision) and links to other brands. Aaker distinguishes three logical phases in strategic brand analysis: first, using existing internal information (past customer research, market and brand sales data and patterns, the historical positioning of the brand, and known competitor

identity strategies) to analyse the brand; second, filling the information gaps by involving other sources and methods, including original customer research; and third, specifying the target brand identity, value proposition, brand-customer relationship and brand position (Aaker 1996, 189 – 201).

### *Brand Identity System*

Brand identity consists of twelve dimensions organized around four perspectives – brand as a product, brand as organization, brand as person, and brand as symbol. Not all brand identities have to necessarily use all of these perspectives. The perspective *brand as a product* includes associations related to product class, product attributes, quality, use, users, and country of origin. Product-related associations are relevant to almost all the brands since they are directly linked to brand choice decisions and the user experience. The perspective *brand as organization* focuses on the organizational attributes, which include for instance innovation, trustworthiness, customer focus, and global or local orientation. The culture, skills, values, and people of an organization drive organizational attributes and associations, which provide credibility to a company and are usually more difficult to copy than product attributes. The *brand as person* perspective makes brand identities richer and more interesting, than the one based on the product attributed. Just like persons, brands can be perceived as upscale, fun, humorous, competent, active, formal, youthful, etc. Associated with such human qualities, brand personality can become a basis of a relationship between the customer and the brand. The last perspective, *brand as symbol*, highlights the importance of visual imagery, metaphors, and brand heritage. A strong symbol can contribute a lot to the unity and structure of the brand identity and make it easier to gain recognition and recall (Aaker 1996, 68, 78 – 84 & 115 - 150).

What comes to brand identity structure, Aaker distinguishes core identity and extended identity. *Core identity* is the timeless essence of a brand. It is central to both meaning and success of the brand, and carries unique associations that are most likely to remain constant when the brand enters new markets or is extended to new products. *Extended identity* adds on to the core identity the elements, which provide texture

and completeness to the brand identity. It brings the details that help to convey what a brand stands for. For example, brand personality often falls under the extended identity, adding needed details and personal touch. Overall, a larger extended identity means a stronger brand – one that is more memorable, interesting, and connected to your life.

Unless the role of the brand is to support other brands by providing *credibility*, the brand identity needs to provide a *value proposition* to the customer, which consists of functional, emotional and self-expressive benefits delivered by the brand. Effective value propositions should provide value to customers, enable *brand-customer relationships*, and drive buying decisions (Aaker 1996, 85 -103).

### ***Brand identity implementation system***

The focus of the last component of Aaker's BIPM is on brand identity implementation, which consists of brand position, execution, and tracking. *Brand position* is the part of the brand identity and value proposition that needs to be actively communicated to the target customers and that demonstrates an advantage over competing brands. The second step in implementation is *execution* of the communication program, which includes selection of the media to be used and creation of actual brand building programs. The range of marketing activities can be very wide – advertising, public relations, event sponsorships, direct marketing, online marketing, and flagship stores – and they should be executed brilliantly. In addition, implementing brand identity also includes communicating the brand identity within the organization and to partners – for example through brand manuals, videos, presentations, and workshops. The last implementation step is *tracking*, which implies monitoring the brand position in order to ensure effectiveness and cohesiveness of brand building programmes (Aaker 1996, 176 – 189).

### **2.5.2 Keller's Brand Resonance Model**

The Brand Resonance Model looks at building a brand as a sequence of steps, each of which is dependent on the successfully achieving the objectives of the previous one

(Figure 4). Those steps are the following. The first one is establishing *brand identity* by creating deep and broad brand awareness. Second, establishing *brand meaning* by creating strong, favourable, and unique brand associations. Third, eliciting accessible and positive customer *responses* to brand identity and meaning. Fourth, converting brand responses to create brand resonance and intense, active loyalty *relationships* between customers and the brand (Keller 2013, 107).

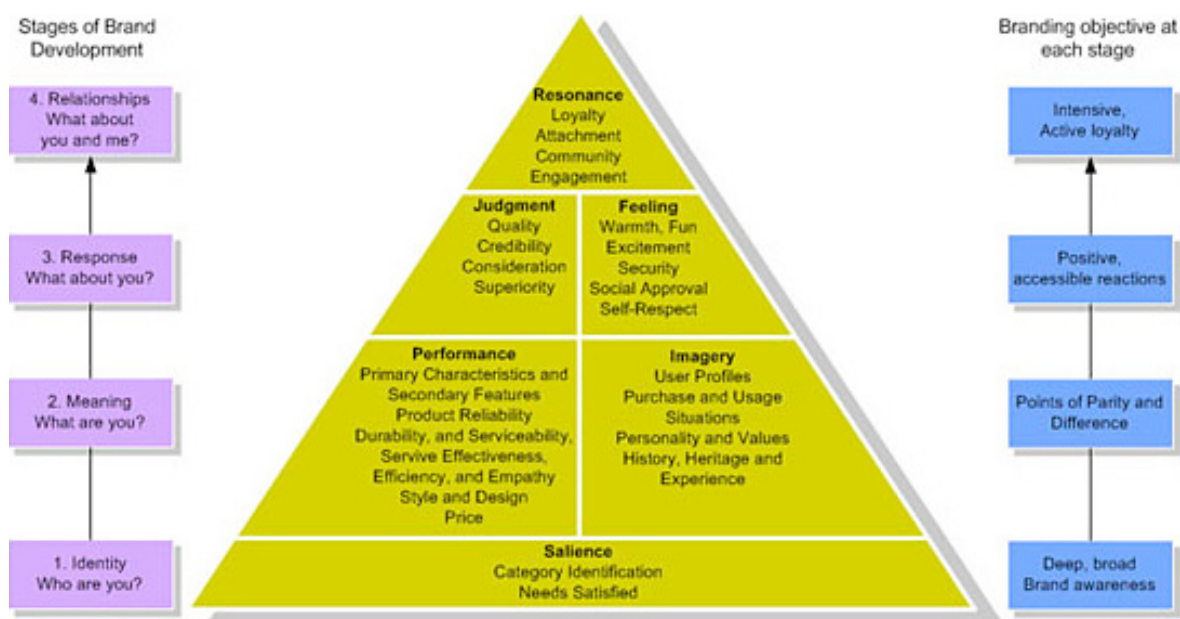


Figure 4. Brand Resonance Pyramid (Keller 2013, 108)

These four steps introduce a set of fundamental questions, which customers will ask, maybe even subconsciously, about the brand: (1) Who are you? (brand identity); (2) What are you? (brand meaning); (3) What about you? (brand responses); and (4) What about you and me? (brand relationships).

To provide some structure, Keller represents his brand resonance model in form of pyramid, which includes six brand building blocks, assuming significant brand equity achieved only if brands reach the top of the pyramid.

The bottom building block of the pyramid is creating brand *salience*, which is the way to achieve the right brand identity. Brand salience measures various aspects of the brand awareness, which, as was mentioned before, is customers' ability to recall and recognize the brand under different conditions and to link the brand elements (like names, logos,



symbols, URLs, slogans, jingles, characters, and packaging) to certain associations in the memory. Brand elements directly relate to building the brand identity and are the building blocks of brand equity since they can enhance brand recall and recognition and facilitate the creation of associations. Keller lists six criteria that are useful for choosing brand elements: (1) memorable (easy to recognize and recall); (2) meaningful, (have a descriptive and persuasive content); (3) likeable (aesthetically pleasing, interesting and fun for customers, with rich visual and verbal imagery); (4) transferable (add to brand equity across product categories, market segments, and geographical and cultural boundaries); (5) adaptable (flexible and easy to update over time); and (6) protectable (can be protected legally and competitively) (Keller 2013, 107-111, 142-147).

The next two building blocks, performance and imagery, are the two main types of brand meaning, which is the second step of the brand resonance model aiming at identifying and communicating what the brand means, and what it stands for. *Performance* relates to the intrinsic properties of the brand in terms of inherent characteristics of the product or service. According to the model, performance consists of five categories: (1) primary ingredients and supplementary features; (2) product reliability (consistency if performance over time), durability (expected economic life of the product), and serviceability (the ease of repairing the product if needed); (3) service effectiveness (how well the brand satisfies customers' service requirements), efficiency (the speed and responsiveness of services), and empathy (the extent to which service providers are seen as trustworthy, caring and having customer's interests in mind); (4) style and design; and (5) price. *Imagery* deals with the extrinsic properties of the product or service, including the ways in which the brand meets the customers' psychological or social needs. Brand imagery is how people think about the brand abstractly, rather than what they think the brand actually does, so imagery refers to more intangible aspects of the brand (Keller 2001, 9-12; Keller 2013, 111-117).

Brand responses, which is the third step of the brand resonance model, refers to how customers respond to the brand, its marketing activity, and other sources of information. There are two brand building blocks on this step – *brand judgments* (customers' opinions “from the head” and evaluations of the brand, formed from putting together

all the brand performance and imagery associations), and *brand feelings* (customers' perception "from the heart" demonstrating emotional responses and reactions with respect to the brand) (Keller 2001, 13-14; Keller 2013, 117-120).

Brand *resonance* is at the very top of the pyramid, and is the most difficult and desirable level to reach, because achieving a brand resonance means making the customer feel a deep, psychological bond with the brand (MindTools 2014). Brand resonance refers to the nature of relationship where customer feels him- or herself "in sync" with the brand. This is the ultimate relationship and the level of identification that the customer has with the brand (Keller 2001, 15; Keller 2013, 120-122).

### 2.5.3 Gad's 4D Branding model and The Brand Code

While investigating different aspects, which helped the best brands succeed, Thomas Gad (2001, 93) found out that building a brand in consumers' mind always fall into four different categories, or "dimensions", which are the basis for 4D Branding model. Combined into so-called *Brand Mind Space*, all four dimensions – spiritual, functional, social and mental – provide a basis for understanding the true nature and future potential of the brand (Figure 5).

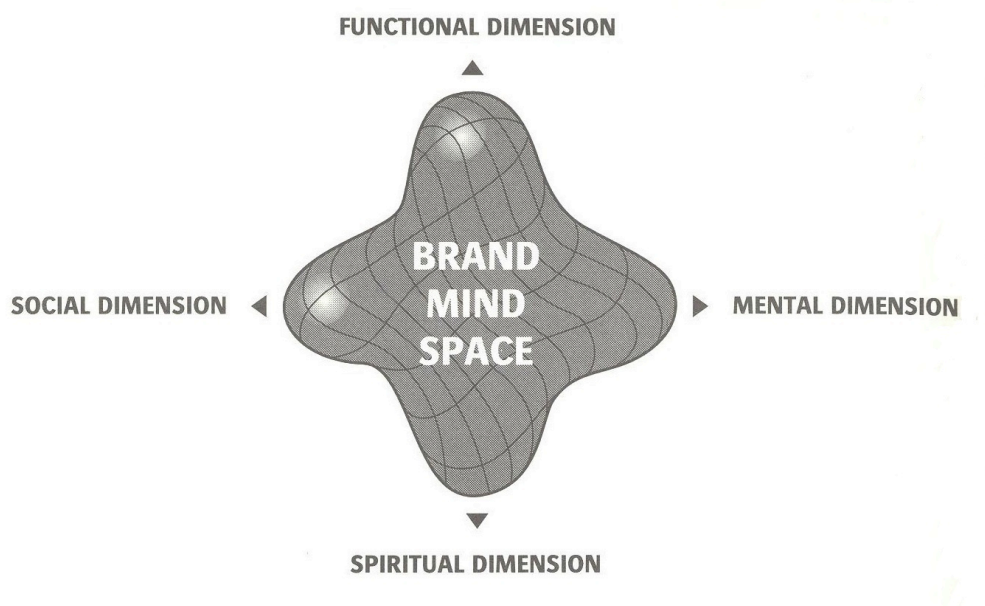


Figure 5. Brand Mind Space (Gad 2001, 94)

*Functional dimension* is the first one and it deals with creation of the unique product or service, and its perceived benefit for the customer. Everything that has to do with physical quality, taste, style and efficiency falls under the functional category. The importance of functional dimension changing depending on the brand lifecycle: the earlier in the lifecycle the more important the functional attributes are to define brand's justification, role, and sometimes the physical benefit (Gad 2001, 93-95).

*Social dimension* is about social life and social acceptance, which adds a social identity to the brand. Consumers make their choices based on how they feel about the product or service, giving a preference to the kind of product or service that represents their social identity the best. In the situation of high competition with competitor offering better or equally good products and services, social dimension becomes much more important than the functional one (Gad 2001, 95-96).

Whereas social dimension reflects the relationships between customers and a group of people to which they want to belong, *mental dimension* is about personal transformation and about what one thinks of himself. Therefore by its nature this dimension is more profound than the social one, as it truly penetrates deep into one's personality. Nike expression "Just do it" is a good example of strong mental dimension – that saying goes straight to your conscious mind, and reminds how important it is to overcome the feeling of avoidance and passivity. The only way to prove how good you are is to "just do it" (Gad 2001, 96-97).

*Spiritual* (or, idealistic) *dimension* refers to a larger system, which we are part of. This is the connection between the brand, the product or service and the bigger system, a perception of global or local responsibility. The ideology of the brand might be, for example, some ethical considerations, improving health, ecology, so generally that's the statement of intention to change something into better, creating ideology that can be believed in (Gad 2001, 98).

These four dimensions provide the basis for understanding the true nature and future potential of the brand. The Brand Mind Space is a way to present the brand in the four

areas. Every person, individual customer or group has different individual Brand Mind Space, his or her own interpretation of the brand. In practice, it's impossible to adapt the brand for every consumer type, and Thomas Gad (2001, 100) suggests instead taking as an aim to create a well-defined, distinct brand by giving the brand one very clear coding, which he named The Brand Code (Gad 2001, 101).

*The Brand Code* is a tool for defining the brand and encapsulating the future positioning. It answers the question: what should the company really be about? It implies working through a number of various scenarios in order to get an understanding of how the brand might play for its various audiences. Gad compares The Brand Code to a character on stage, played by the actors, who can be anybody interpreting The Brand Code according to their level of creativity. This fact makes it even more important to ensure that The Brand Code is consistent, homogeneous and well defined for the audience.

The purpose of The Brand Code is to create a future-driven brand. The code is the core of the company and the most important instrument in all kinds of decision-making. The Brand Code is a statement describing what the brand really stands for; it is the story of the company, the business idea, the mission, vision and values all in one package. The model of The Brand Code resembles a spider and consists of six parts (Figure 6), the present (product/benefit, positioning and style) and the future (mission, vision and values) aspects, and the synthesis of them is the core of The Brand Code (Gad 2001, 101-102).

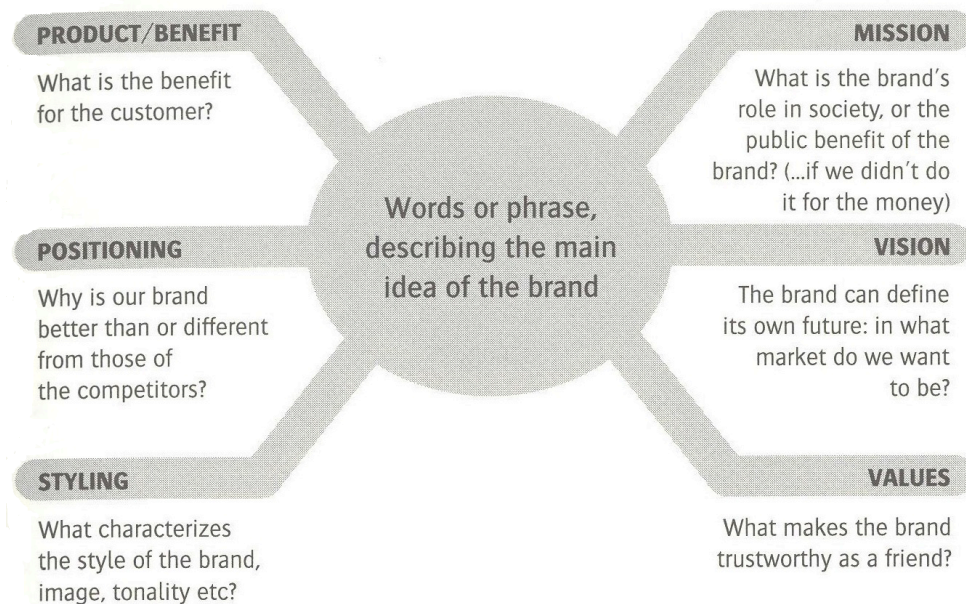


Figure 6. The Brand Code (Gad 2001, 102)

*Product/benefit* includes the description of the company offers (product, service, expertise, knowledge, etc) and the benefits the customer experiences in whatever the company delivers. *Positioning* defines why and how you brand is better or different from its competitors, i.e. highlights the brand as the differentiation code of the company. Those two first aspects the product/benefit and the positioning, are related to the functional dimension in Gad's 4D Branding Model (Gad 2001, 102-103). *Style* reflects the personality of the brand and its character – this is the part of the personal appearance that immediately catches the eye. It is the image, personal traits, attitude, behaviour of the brand. Styling is related to the social dimension in Gad's 4-D branding model (Gad 2001, 103).

*Mission* is the overall purpose, describing the brand's role in the society or its public benefit. *Vision* in The Brand Code is the positioning for the future, encompassing future markets, offering they wish to provide, to whom and when. *Values* in the company are the “rules of life”, which emphasise the trustworthiness of a brand, its long-term personality, and guarantee continuity. The keywords attached to the values are essential, should be chosen with care, and after that's done the company should truly live up to them (Gad 2001, 105).

The four dimensions of 4D Branding Model and the six aspects of The Brand Code together create a framework for branding, that Gad (2001, 141) calls the *Brand Envelope*. It consists of the Brand Activity Generator (Brand code core message plus the four dimensions inside the hexagon on Figure 7) with the six Brand Code aspects supporting it as the frame.

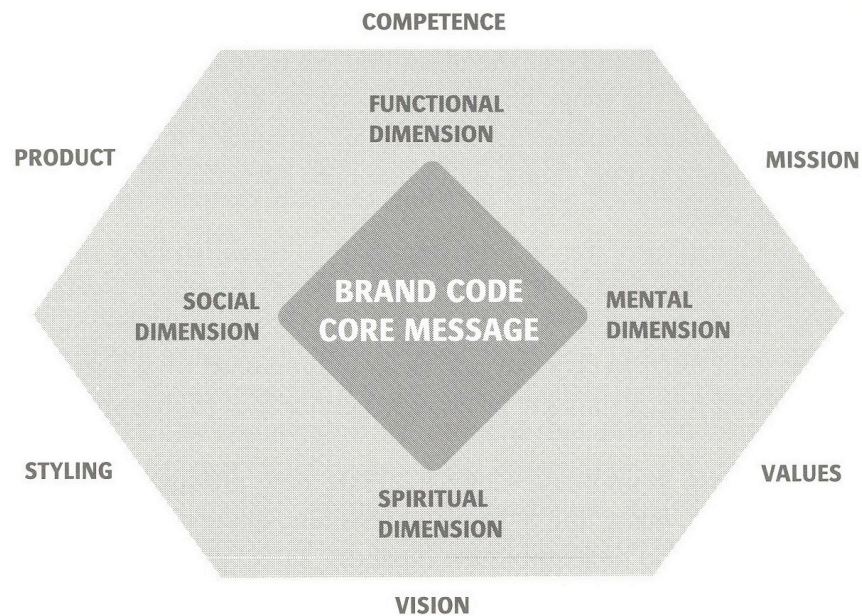


Figure 7. The Brand Envelop (Gad 2001, 142)

While creating a new product, service, line or brand extension, Gad (2001, 141-142) suggests to take the following approach: (1) create the product brand code from the six aspects; (2) from that work on the new product featuring functional, social, mental and spiritual dimensions; (3) make The Brand Code statements for the new product, assigning it product, positioning, style, mission and vision; (4) match The Brand Code of your company with the “Brand Codes” of the new product and find out if the product is inside the Brand Envelop. Adding something new to a business usually makes the brand being adjusted, or “stretched”, too, according to the new ideas. This doesn’t always work, and sometime the most appropriate decision is to destroy te old brand and to create the new one (Gad 2001, 141).

## 2.6 Co-branding

*Co-branding* refers to a marketing arrangement where two different brands join forces to create a product or service indicative of both their identities (Stec 2013). When it works well, co-branding has the potential to achieve ‘best of all worlds’ synergy that capitalises on the unique strengths of each contributing brand (Leuthesser et al. 2003, 35-36). Keller refers to co-branding as brand bundling or brand alliances, and similarly defines it as two or more existing brands defining a new product or having joint marketing activities of some kind (Keller 2013, 269). Aaker defines two forms of co-branding: *ingredient brands*, when one becomes a branded ingredient of another brand; and *composite brands*, the bundling of two brands to provide an enhanced consumer benefit or reduced cost (Aaker 2010, 298-299).

The cooperation of two brands has an aim to send a high quality and trust message to their customers. The main objective is to convince existing and potential customers that a double signature provides them with more value than the value of each one of the two brands considered separately (Simonin & Ruth 1998; Rao et al. 1999 in Sénéchal et al. 2013, 29). As a result, it can generate greater sales from the existing target market as well as open additional opportunities with new consumers and channels (Keller 2013, 270).

Co-branding raises the basic question, namely, how brand equity transfers to the new product and how the new product subsequently has an impact on brand equity. The review of the co-branding conducted by Leuthesser et al. (2003) lists the following conclusions:

- Co-branded products can acquire the salient attributes of both parent brands, making co-branding a particularly attractive alternative to brand extension where the parent brands complement each other strongly.
- Perceptions of a co-branded product can have spillover effects on the parent brands; lesser-known parent brands are likely to be affected the most.
- Pairing a ‘high-status’ parent brand with a ‘low-status’ parent brand is not necessarily detrimental to the high-status brand.

- Each partner to a co-branding arrangement brings a customer base, which is potentially available to the other.

The above results suggest that product *complementarity* may be a key appeal in co-branding, because it allows the co-brand to inherit the desirable qualities of each of the parent brands (Leuthesser et al. 2003, 37-40). The authors take the complementarity as the basis of their framework for branding strategies.

What comes to selecting a partner for a co-branding opportunity it seems easier to identify the product or service you would like to create first, and then work towards selecting a brand based off this decision. A good fit for co-branding would likely be someone who could benefit from the endeavour similarly, while sustaining the proper funding and resources to support their end of the agreement. In terms of crossover appeal, it is important for your buyer personas to be receptive to your partner's brand identity, and vice versa (Stec 2013).

The co-branding approach opens up several opportunities and certain benefits to the parties:

- *Less expensive*: Marketing a new product or service requires certain budget. Co-branding gives an opportunity to partners to launch a new product or service and split the expenses. Double the exposure, half the price.
- *New market exposure*: While particular brand's products and services may have attracted one type of audience, co-branding efforts will expand both partners markets with the devotees of the other one. Access to the partner's market increases the likelihood of attracting new customers allowing establishing new customer relationships.
- *Doubled hype around the new product launch*: When two brands come together to release a special product or service, it is natural for people to be curious about the outcome. This type of buzz can be enhanced by each individual brand promoting the launch on their social media channels, encouraging people to get involved in conversations around the collaboration. Twice the hype helps to lay a foundation for a successful product release.



## **2.7 International and global branding**

With the global economic growth during the last half a century the scope and scale of companies' foreign economic activity is constantly increasing, and that encourages them to give more attention to the brand from the international and global perspectives (Kuvykaite & Mascinskiene 2010, 446). In order to present a brand as a strong brand that can compete on an international level, it is necessary to acknowledge and understand the similarities and differences of branding in local and foreign markets.

### **2.7.1 Global vs. international**

There seems to be no clear distinction between international and global brands, as there is no agreed definition of the term "global" nor there is a minimum threshold of markets to earn to be considered a global brand (Chabowski et al. 2013, 624). Although the term "global branding" has been in use for some time, it is used in different contexts and can be interpreted in different ways. As Chabowski et al. further formulate, the term "global branding" embodies the manner in which a firm selects, manages, and controls its brands across international markets. It is quite obvious from this definition that they do not do significant difference between international and global branding, but rather between "global brand" and "global branding" where the former one is viewed as a subset of the latter. For the scope of this study I will not be making semantic difference between the notions of "international branding" and "global branding", and will be utilizing both with the same meaning as described above. Just to note that intuitively the notion "international branding" seems to fit better for the various types of international branding activities of the small company this research is done for, than "global branding", which is likely more proper for bigger companies, and which is often understood as activities towards the use of the same coordinated image/brand in all markets.

There might be various reasons for going international or global (Keller 2013, 512):

- slow growth or increased competition in domestic market;
- more profit and growth opportunities overseas;

- cost reduction due to economies of scale;
- risk diversification;
- global mobility of the customers.

### 2.7.2 Global brand equity

According to Aaker & Joachimsthaler (2000, 306) global brands are highly similar across countries in terms of brand identity, position, advertising, look and feel, personality, product, and packaging, but, however, rarely fully identical. Certain elements of a brand might be standardized across markets, while others – such as names, symbols and slogans conveying useful associations – might need to be customised (Aaker 1991, 266-268). Kapferer (2008, 455) says that geographic extension is the necessary fate of brands – it helps brand's growth, and its ability to innovate and to sustain its competitive edge in terms of economies of scale and productivity. However, even when a brand appears to be global, when it is distributed and well known in countries throughout the world, closer examination reveals that the product is often far from standardised – it is more of a composite, hybrid or highly adapted product. That's where Kapferer introduces the concept of *post-global brand* – the brand that no longer tries to entirely adhere to the model of total globalisation; and lists eight structural types of strategies, which brands could pursue between a fully global and strictly local model (Kapferer 2008, 458-461).

Keller states that in building brand equity, it is often required to create different marketing programs to satisfy different market segments. First, there is a need to identify differences in consumer behaviour in each market – how do they purchase and use product and services, and what they know and feel about brands. And second, the branding program should be adjusted accordingly through choosing brand elements, the nature of the marketing programs and activities and leveraging of secondary associations. Keller emphasises that in order to build brand resonance and establish global brand equity, marketers have to go through the four steps of brand development and create the six brand building blocks in each and every market where the brand is sold (see sub-section 2.7.2 for Keller's brand resonance model). It is crucial first to establish awareness when products are being introduced to the new market, and then think

through the order of product introduction for establishing salience. Basic brand performance associations may not be that different in different countries, as long as the product itself is not significantly different across markets, whereas brand imagery associations may be quite different. Establishing the right brand image in every market is important, as it serves as the base for positive judgments on good quality, credibility, worthiness of consideration, and superiority. Finally, achieving brand resonance in new markets requires providing customers with sufficient opportunities and incentives to buy and use the product, interact with other customers, and actively learn and experience the brand. Interactive online marketing can be a valuable tool here, as long as it is accessible and relevant anywhere in the world (Keller 2013, 519-520).

### **2.7.3 Developing vs. developed markets**

One of the most important distinctions that needs to be made between the countries that the global brand enters is whether they are developed or developing markets. For example, BRICS, which are the most important developing countries, do not have yet the infrastructure, institutions, and other features that characterize more fully developed economies. However, they belong to the largest and fastest growing economies and are a point of interest for companies all over the world.

Keller gives an example of Heinz emerging market strategy, which is formulated in a “Three As” model:

1. Applicability – product must suit local culture.
2. Availability – product must be sold in channels that are relevant to the local population.
3. Affordability – product can’t be priced out of the target market’s range.

### **2.7.4 Building global brand**

It is by no means a simple task to build a strong global brand, considering how different the customer needs and preferences can be and how diverse the economic standards are across the world. Keller (2013, 529-540), for instance, suggests 10 “commandments” of global brand building, which include:

1. *Understand similarities and differences in the global branding landscape*: this is a fundamental step – to recognise that international markets can vary in terms of brand development, consumer behaviour, marketing infrastructure, competitive activity, legal restrictions, etc.
2. *Don't take shortcuts in brand building*: building a brand in new markets must be done from the bottom up – brand awareness has to be established in every market first, before a positive brand image can be built.
3. *Establish marketing infrastructure*: either from scratch or capitalize on the existing marketing infrastructure in other countries. This gives companies manufacturing, distribution and logistical advantages.
4. *Embrace integrated marketing communications (IMC)*: any forms of communications should be considered when planning IMC to strengthen the global brand.
5. *Cultivate brand partnerships*: building a partnership (in form of joint ventures, licensees or franchisees, co-branding partnerships, advertising agencies, etc) is a good opportunity and the main means of gaining an access to the distribution in another market.
6. *Balance standardisation and customisation*: the main challenge is to get the right balance – to decide which elements to customize and which to standardize.
7. *Balance global and local control*: local and global brand management control requires appropriate organizational structure with certain level of centralization or decentralization. Companies quite often choose the combination of those two to better balance local adaptation and global standardization.
8. *Establish operable guidelines*: brand strategy, definitions and guidelines must be established, communicated and properly enforced at different locations so that marketers clearly understand what they are and they are not expected to do.
9. *Implement a global brand equity measurement system*: there should be systems in place for tracking and measuring brand equity in all relevant global markets.
10. *Leverage brand elements*: most of nonverbal brand elements (logos, symbols, characters) are well suited for establishing awareness and brand image across markets (exceptions, however, exist – for instance the colour can convey the cultural meaning and be the subject to misunderstanding), whereas associations

connected to brand names or slogans need to be translated with extra care in order to deliver the desired meaning.

According to Kapferer (2008, 488), the key stages in the process of brand globalisation are the following:

- defining brand identity (functions as medium for globalization and is essential for ensuring consistency);
- choosing regions and countries (strategic analysis that considers for example market size, indicators of growth and market potential, consumer insights, the nature of competition in the market, rudimentary brand equity, media networks, potential for brand name registration, the existence of possible commercial partners, and finally the non-existence of entry barriers);
- accessing the markets (creating a new category or segmenting an existing one);
- choosing the brand architecture – the structure of brands within organization (will it be the same or not in each market);
- choosing products (deciding on the order of product introduction and possible adaptations required for the selected market);
- constructing global campaigns (decisions on global and local brand management responsibilities and elements that the brand wants to globalize).

Aaker & Joachimsthaler accentuate that developing global brands should not be the priority. Instead, companies should work on creating strong brands in all markets through global brand leadership. Global brand leadership means using organizational structures, processes, and cultures to allocate brand-building resources globally, to create global synergies, and to develop a global brand strategy that coordinates and leverages country brand strategies (Aaker & Joachimsthaler 1999, 1).

There are four common ideas about effective brand leadership, which Aaker & Joachimsthaler suggest companies to follow (Aaker & Joachimsthaler 1999, 2):

- stimulate the sharing of insights and best practices across countries;
- support a common global brand-planning process (more details on this point below);

- assign managerial responsibility for brands in order to create cross-country synergies and to fight local bias; and
- execute brilliant brand-building strategies.

What comes to the global brand-planning process, there is no one single accepted process model, but any model has two starting points: (1) it must be clear which person or group is responsible for the brand and the brand strategy, and (2) a process template must exist. The completed template should specify such aspects of a strategy as the target segment, the brand identity or vision, brand equity goals and measures, and brand-building programs that will be used within and outside the company. Similar to developing brand identity (see section 2.7.1 for Aaker's BIPM), global brand planning process starts with a strategic analysis of customers, competitors, and the brand itself. Second, the process should avoid a fixation on product attributes only, but ensure that brand strategy includes such elements as brand personality, user imagery, intangibles that are associated with the company, and symbols associated with the brand. Third, the process must include programs to communicate the brand's identity (what the brand should stand for) to employees and company partners. Fourth, the process must include brand equity measurement and goals. Finally, the process must include a mechanism that ties global brand strategies to country brand strategies. In the top-down approach country brand strategy follows a global brand strategy. A country brand strategy might augment the global strategy by adding elements to modify the brand identity. In the bottom-up approach, the global brand strategy is built from the country brand strategies. Generally, a strong brand identity is the best medium for coordinating and finding synergies between country strategies and the global brand strategy. And yet managers won't be able to tell how well they're building brands unless they develop a global brand measurement system – the one that measures brand equity in terms of customer awareness, customer loyalty, the brand's personality, and the brand associations that resonate with the public. When these measures of the brand are available, a company has the basis to create programs that will build a strong brand in all markets (Aaker & Joachimsthaler 1999, 2-7).

## 2.8 Brand management in SMEs

According to the definition provided by European Commission, there are 3 categories of SMEs: (1) *medium-sized enterprises*, which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million; (2) *small enterprises*, which employ fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million; and (3) *microenterprises*, which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million (European Commission 2014). According to the Annual Report on European SMEs 2012/2013, there are over 20 million SMEs in European Union, constituting 99.8% of all the EU companies and employing 66.5% of EU working population (Annual Report on European SMEs 2012/2013, 10). However impressive the statistics is, and however large amount of literature and research have been done on branding during last couple of decades, it is clear that the world of branding is heavily dominated by big businesses (Ahonen 2008; Wong & Merrilees 2005, 155; Krake 2005, 228). Hence, it seems reasonable to raise the question in how far the theories, models, and guidelines that have been introduced in the previous sections are also applicable to SMEs.

Branding within SMEs is not a very popular topic, and that seems logical when looking at the distinctive characteristics of small businesses: they often have limited amount of functional managers, there often personal money invested rather than of impersonal investors, companies have informal procedures, simple, flexible and non-differentiated organizational structures, decision making is informal and personalized, top-down approach is not a rare case where owners are reluctant to share their power by giving more rights of decision making to intelligent employees, and in general there is just a lack of objectivity. All this leads to certain implications, which, in short, are:

- specific culture: small business is usually tied with the needs and abilities of its owner, it has a focus on independence, flexibility, closeness to customer and supplier, individual and personal, and tolerating a short-term view rather than a long-term one;

- limited influence over their environment or market: small size of the company enables it to respond more quickly to the changes in the environment or market, but, unlike their bigger counterparts, they have little influence over those changes;
- lack of resources: small financial reserves, shortage of both management time and skills (Bridge et al. 2009, 183-187).

So, to summarize the typical answers that one might get when asking SMEs management why they are not doing proper branding, here is what you might hear: because it is not in our top priority list comparing to other “more important” issues that the company has to deal with in the short term; because we don’t have money and time for such activities; because we don’t have a specialist who can do it; and why do we need it at all, if we’re so small and cannot make a difference anyway? There is a very good saying by Anita Roddick, the founder of BodyShop: “If you think that you are too small to have an impact, try going to bed with a mosquito in the room” (Gad 2001, 41). Maybe that’s the good point for small companies to start moving towards more serious branding endeavours.

The earliest studies on brand management in SMEs appear in 2005, when Krake and Wong & Merrilees, independent from each other, decided to explore the relevance of brand management in SMEs. The main insights Krake has gained in his study are: (1) brand management is not a priority for SMEs; (2) the owner has a great influence on both internal and external brand management and brand building; (3) brand management related issues strongly depend on the nature of the business, company structure, and market; (4) creativity is a critical capability for creating awareness; (5) budget limitations influence marketing activities and messages; (6) the goals of marketing activities and communication are establishing higher awareness and associations, and achieving a higher turnover (Krake 2005, 230 – 235). For Wong & Merrilees the main finding was that SMEs can be categorized based on their degree of brand orientation and brand-marketing performance. Those categories, or clusters, are called SMEs *branding archetypes* – there are 3 of them: *minimalist* (very short-term focused and concentrates on sales and production), *embryonic* (understands importance of marketing and relevance of



competitive advantage, positioning, and differential strengths, however, branding activities are implicit and seen as optional), and *integrated* (recognizes the importance of brand management and integrates branding in its marketing strategy; marketing mix implementation, communication options, and messages communicated have a branding approach) (Wong & Merrilees 2005, 155 – 160).

What comes to building a brand in SME, there are suggestions rather than clearly defined models, and this is understandable, since SMEs' heterogeneity makes it nearly impossible to define one branding strategy that would fit all. Moreover, brand-building strategies of micro-sized, small, and medium-sized enterprises are very likely to differ. Based on their exploratory studies Krake and Wong & Merrilees have created several suggestions for brand management and brand building in SMEs. One should keep in mind, though, that their studies were done for particular case companies, and generalizations to SMEs from other fields should be done with caution.

Krake suggests that brand building processes of SMEs largely depend on the structure of the respective company, its nature of business and market. He gives the following recommendations: SME should make building and managing brands a priority, assign a responsible person for brand management, acknowledge the important role of the owner/entrepreneur, exploit opportunities of co-branding and cooperation, consider changing the name of the brand to the company name, concentrate the attention on one brand, emphasize one or two product features and associate them with the brand, make efficient use of brand elements, ensure consistency in communication, create internal passion for the brand, and – given limited marketing budgets – be creative (Krake 2005, 235).

Wong & Merrilees in their research demonstrated that brand orientation for SMEs can be a positive force for brand-marketing performance. They have created a model consisting of four distinctive “constructs” that would help SMEs to guide their future branding and marketing activities. The model suggests the need: (1) to take a longer-term, investment approach to branding; (2) to develop a strongly distinctive brand; (3) to develop an internal culture where all staff “live the brand” on a daily basis; (4) and

for a clear and consistent communication of the brand through all marketing activities (Wong & Merrilees 2005, 160).

Keller also acknowledges limited resources behind a small business brand, emphasises that marketing focus and consistency are critically important, and gives additional guidelines for small businesses: (1) concentrate on building one or two strong brands; (2) focus the marketing activity on one or two key associations; (3) employ a well-integrated set of brand elements to enhance brand awareness and image; (4) design creative brand-building push campaigns and consumer-involving pull campaigns that capture attention and generate demand; (5) leverage as many secondary associations as possible (Keller 2013, 572-573).

## **2.9 Theoretical summary and framework**

As discussed above, research on brand building and brand management has mainly been focused on large organizations. The literature review has shown, however, that SMEs can leverage the branding strategies of big companies, and by keeping focus and consistency in building their brands achieve significant performance advantages. The reality, though, is not that simple, since the group of SMEs is so heterogeneous: the amount of employees can vary from 1 to 250 (which signifies different organizational structures), the industries and markets of operation can be very diverse, the range of products and services can be very wide and targeted to different types of consumers. As Krake stated (see section 2.8), brand management in SME is subjective, depends on the organizational structure and nature of business. The major inference that ensues is that one branding strategy would hardly suit all.

What comes to going international, or building a global brand, the companies of all sizes have a potential to succeed, even if global branding strategy seems to suite certain types of companies more than others. Whatever the size and the industry of the company are, global branding requires a delicate balance between a consistent product or service and a tailored approach that addresses the many cultures and philosophies of a global market (Morello 2014).

In any case, to build a strong global brand SMEs need to be aware of concepts, models and theories of brand building, and their applications and possible “tuning” that might be required according to the specific situation and needs of the company. Important point is also to recognize company’s branding capabilities and limitations. The models and guidelines considered in this chapter present different kinds of approaches to brand building. Aaker makes an emphasis on a strong brand identity and suggests exhaustive steps on how to analyse, plan and implement brand identity. In fact, it seems to be the only model providing tools and guidelines on all the aspects regarding the creation of brand identity. Keller uses brand identity as the first and one of the most important steps in his model, and there are three other steps to “climb” to reach the brand resonance where customer has the psychological bond with the brand. Gad, in his turn, creates the brand mind space with four dimensions for understanding the true nature of the brand, develops a tool, the Brand Code, for defining the brand, and combines those two to a framework for branding, the Brand Envelope. Although all considered models have different viewpoints to branding, they definitely have one thing in common: the importance to define and manage company brand. Can any of the models be used as-is for a small consulting & diagnostics firm as the case company? Will Aaker’s detailed identity creation be suitable? Or achieving Keller’s ultimate brand resonance is the proper way to take? Or should it be more conceptual as Gad’s brand mind space?

DAP Services is a small company, so the brand model for it should be simple, but well functional and clear. It should be understandable for all the employees, even those without an extended experience with marketing and branding, it should be practical and effective in helping the company to understand its brand. From that perspective I think the model should contain distinctive building blocks that would guide on how to build a brand. The 4D Branding model by Gad looks quite abstract for that purpose; however, the Brand Code contains clear components. Aaker’s and Keller’s models provide a good guidance as well. All of them have a potential to contribute to the suitable model for the case company, however Aaker’s BIPM seems to be only one providing tools and theories on all the aspects regarding the creation of brand identity, and as most of the brand building models agree, brand identity is the key concept for build-

ing a strong brand. That's why Aaker's BIPM model was chosen as a baseline for constructing theoretical framework, with certain elements adopted from other models and theoretical aspects. Considering the fact that not all the aspects of thorough brand building can be feasible in SME, and taking into account the recommendations on the global brand building, the brand building model for DAP Services is developed as described below and illustrated on figure 8.

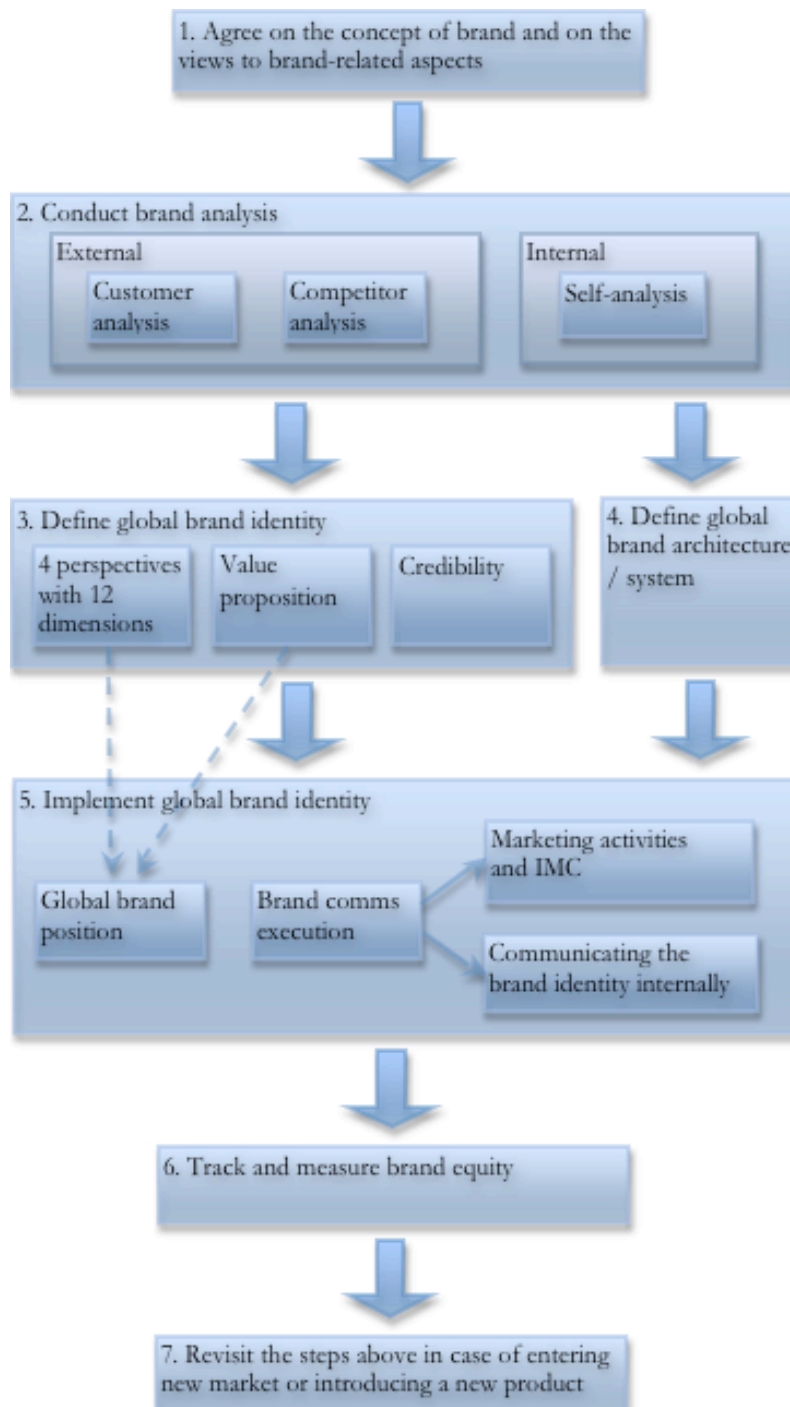


Figure 8. Global brand building plan for and SME (own development)

First, there is a need to agree what *brand* means for the company and what kind of view to the branding concepts the company takes. Since some concepts are ambiguous and have different definitions, there is a need to know exactly what is meant when operating with particular notion.

Second, *brand analysis* – an essential step adopted from Aaker’s model, which is required in order to get the understanding on the current situation in DAP Services. The brand analysis consists of three parts: customer, competitor and self/company-analysis. Each serves a specific purpose of providing information and tools on understanding all the factors, which influence creation of a brand identity. This thesis includes all three parts to some extent, which provide information on the current brand image of the company from outside (external view based on the customer and competitor analysis) and inside (internal view from the company self-analysis).

Third, discuss the direction, purpose and meaning of the brand, i.e. *brand identity*. As was mentioned, developing and implementing a strong brand identity is a key to building strong brand (Aaker 1991, 109-113; Aaker 2010, 25), so this is an essential part of the process. According to Keller, developing brand identity is creation of brand salience with customers, which is the measure of brand awareness, or, according to Aaker, it involves creation of unique set of brand associations, which represent what the brand stands for. Aaker’s approach is practical and lists twelve dimensions of the brand identity, combined in 4 perspectives, which is a very useful tool I’m going to use.

Important to mention how other models’ elements echo certain parts of Aaker’s brand identity system. Gad’s *Product/Benefit* component (representing part of the functional dimension) conforms with *Brand as product* perspective; *Style* component (representing social dimension) conforms with *Brand as person* perspective; *Positioning* (another part of functional dimension) correspond to Aaker’s *Brand position* in the implementation part; and the future aspects of *Mission*, *Vision* and *Values* (representing mental and spiritual dimensions) conform with *Brand as organization* perspective. Although only the first step out of four is about identity in Keller’s model, the elements of Aaker’s brand identity

are visible through the whole Keller's Brand Resonance Pyramid. For example, Keller's *Brand Performance* is about the product and conforms to *Brand as product* in Aaker's model; and *Brand Imagery* has elements from Aaker's *Brand as symbol* and *Brand as person*. Consequently, Aaker's brand identity generates the *value proposition* and the *credibility* aspects of the brand (which appear in Keller's model as well), and evolves into *brand-customer relationship*, which in Keller's model is an ultimate level of identification that the customer has with the brand – the *Brand Resonance*. Most probably, not all the elements from Aaker's BIPM are to be utilized, depending on what is relevant and what are the branding capabilities in the company, which will most likely be limited due to its small size.

Fourth, defining a global *brand architecture* (by Keller), or brand system (by Aaker), to visualize the way the brands within a company's portfolio are related to and differentiated from one another. For the case company this is quite an important aspect since there are several solutions existing with a number of products for each of them, created through own company development, through co-branding with business partners, and potentially others that will come up during the practical part. Seeing a set of brands as a brand system helps to create an effective and efficient branding strategy.

Fifth, *implementation of brand identity*, consisting of defining global brand position and execution of brand communication activities. The brand position, as defined before, includes the parts of brand identity and value proposition, which is to be actively communicated to the target audience and which demonstrates an advantage over competing brands. Execution includes the choice of marketing activities and IMC and communication of the global brand identity internally and to the partners. One point, emphasized by most of the authors when talking about brand building for SME, is the importance of marketing focus, complementarity and clarity and consistency in brand elements and communications (Krake 2005, 235; Wong & Merrilees 2005, 160; Keller 2013, 572-573, 551), and this is definitely to be considered carefully, in order to establish higher awareness and associations. This also concerns the internal communication, where the target for SME should be to develop an internal culture where employees "live the brand" on a daily basis.

Sixth, *tracking and measuring* brand equity across product categories and over time is an essential step, which requires in-depth understanding of brand equity. As a baseline, Aaker's set of ten measures, the Brand Equity Ten, is to be used to measure brands across categories. The challenge is to develop a set of credible and sensible measures of brand strength, which supplement financial measures with brand asset measures. When brand objectives are guided by both types of measures (financial and brand asset measures), the incentive structure becomes more balanced, and it becomes easier to justify and defend brand-building activities (Aaker 2010, 316-338).

Seventh, in case of entering a new market, introducing a new product or service, or targeting a new segment, there is a need to repeat most of the steps above – to perform the strategic brand analysis, to revisit brand identity and brand architecture and adapt then if needed, and check if there are changes required to the implementation activities. In another words, there is a need to define which parts are to be *standardized* and which *customized*. Two important steps, suggested by Keller and described above, are important to consider at this point: first, identifying differences in consumer behaviour in each market, and second, adjusting the branding program accordingly. He also suggests cultivating brand partnerships and leveraging brand elements, which are very relevant aspects for the case company in the international operations. Krake as well emphasizes importance of cooperation and co-branding, and making efficient use of brand elements, especially for SMEs.

The theoretical framework is used as a foundation for structuring the questionnaire and guiding the interviews, which are then executed in case company environment. The next chapter explains the research methods used and the process of data collection.

### 3 Research methodology

Research methodology is about the attitude researcher has towards the research and his/her understanding of the research and strategy he/she chooses to answer research questions (Greener 2008, 10). This chapter of the thesis focuses on the research process and philosophies. First the philosophy and the approach of the study are discussed, then the research methods are described, including data collection techniques and data analysis. The last part of this section introduces the validity and reliability of the study.

#### 3.1 Research philosophy and approach

For the purposes of identifying the research methodology Sanders, Lewis and Thornhill (2009, 139) have developed a research “onion” (presented on the figure 9), which describes the aspects of the research in layers.

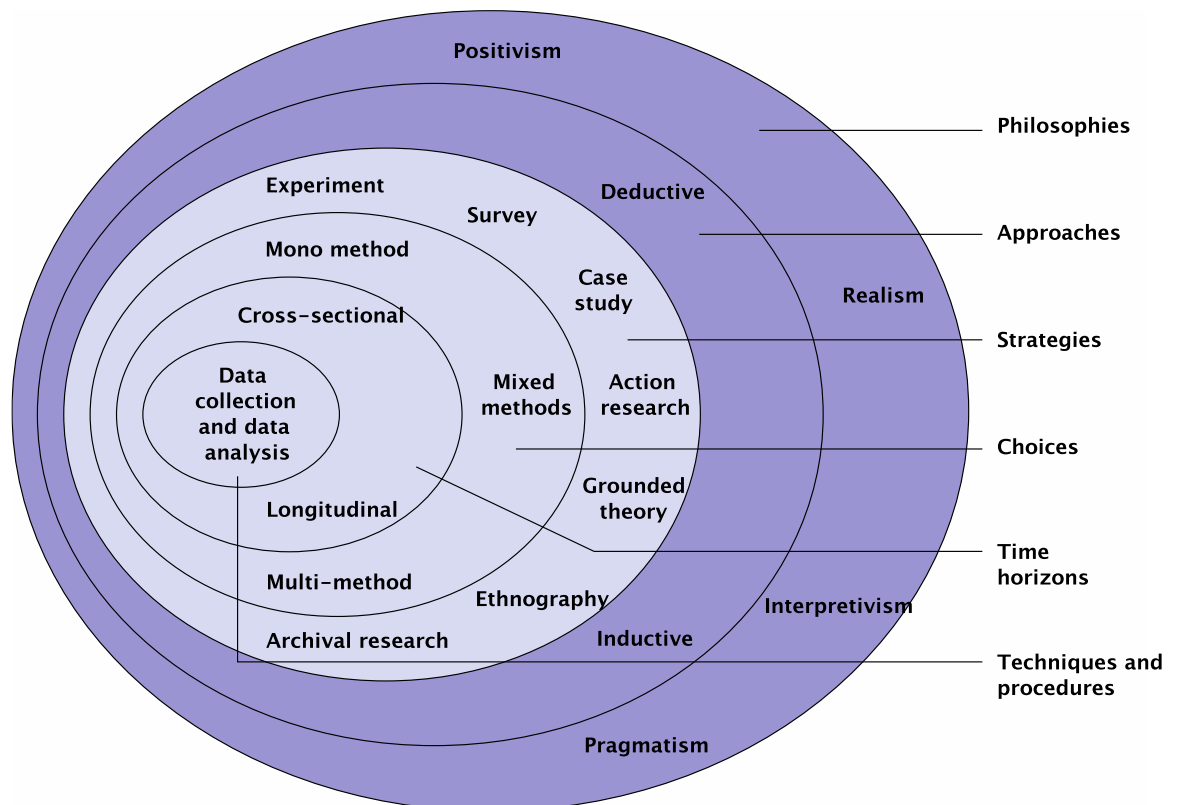


Figure 9. The research “onion” (Saunders, Lewis & Thornhill 2009, 108)



Research philosophy is the outer layer of the “onion”, and it relates to the way the knowledge is developed and to the nature of that knowledge. The practical purpose of being aware of the philosophy used is to understand the taken-for-granted assumptions that we all have about the way the world works (Saunders, Lewis & Thornhill 2009, 107-109). In this study the research philosophy is **interpretivism**, which advocates that it is necessary for the researcher to understand differences between humans in their roles as social actors. Crucial to the interpretivist philosophy is that the researcher has to adopt an empathetic stance and enter the social world of his/her research subjects in order to understand their world from their point of view. There is an opinion that interpretivist perspective is highly appropriate in the case of business and management research, particularly in such fields as organizational behavior, marketing and human resource management. Not only are business situations complex, they are also unique. They are a function of a particular set of circumstances and individuals coming together at a specific time (Saunders, Lewis & Thornhill 2009, 116). Such philosophy reflects well the actual situation of this research where the company brand is being investigated and rebuilt depending on the social environment and culture, which researcher is a part of.

Important to note that the heritage of the interpretivism comes from two intellectual traditions: **phenomenology** and **symbolic interactionism**. Phenomenology refers to the way in which we as humans make sense of the world around us. In symbolic interactionism we are in a continual process of interaction with others and interpreting the social world around us. Through this process of interaction and communication the individual responds to others and adjusts his or her understandings and actions. Central to this process is the notion that people continually change in the light of the social circumstances in which they find themselves (Saunders, Lewis & Thornhill 2009, 290).

The second layer of the “onion” is the research approach, which can be either inductive or deductive. With deduction approach the hypothesis is developed based on the theory, and a research strategy is designed to test the hypothesis. With induction, the observations are collected and the theories are formulated as a result of those observations analysis (Saunders, Lewis & Thornhill 2009, 124-126). In this study the **inductive**

approach is applied since the objective is to obtain a close understanding of the context and the nature of the research problem without any hypothesis construction. The conceptual framework is developed from the review of the relevant theories prior to data collection and analysis for the purpose of providing the research with relevant concepts and structure. The theory is then formulated based on the observations and collected and analysed data. The choice of inductive approach for this research is also naturally supported by the methods of primary data collection (in-depth and group interviews) and chosen research philosophy (interpretivism).

### 3.2 Research method and design

Coming back to the research “onion”, research design addresses the next 3 layers: research strategies, research choices and time horizons. Research design is the general plan of how one would go about answering research question(s) (Saunders, Lewis & Thornhill 2009, 136).

This research is an **exploratory study**, which aims to find out “what is happening; to seek new insights; to ask questions and to assess phenomena in a new light” (Robson 2002, 59, in Saunders, Lewis & Thornhill 2009, 139). The study focuses on the exploring the aspects of DAP Services operations that contribute to the value of the brand, and on the ways of building a stronger brand for the particular environment. There are three principal ways of conducting exploratory research – a search and review of the available literature, interviewing ‘experts’ in the subject, and conducting focus group interviews – and those are to be utilized in this research, which supports such choice (Saunders, Lewis & Thornhill 2009, 140).

The research strategy is **case study**. “A case study is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin 2009, 18). The case study strategy has an ability to generate answers to the question ‘why?’, and to a lesser extent to the questions ‘what?’ and ‘how?’. For this reason the case study strategy is most often used in explanatory and exploratory research. When case study is used as a strategy it is likely there is a need to use and triangulate multiple

sources of data. **Triangulation** refers to the use of different data collection techniques within one study in order to ensure that the data are telling you what you think they are telling you. It allows enriching and confirming the picture researcher collects of a situation (Greener 2008, 36), which is a good contribution to the research reliability. What comes to the dimensions, this research is a **single case study with holistic approach**, because it is done within one organization as a whole and deals with one phenomenon (Saunders, Lewis & Thornhill 2009, 146).

What comes to the research choice, one can use either a single data collection technique with corresponding analysis procedures (mono method) or use more than one data collection technique and analysis procedures to answer research question (multiple methods). In multiple methods design there are four different possibilities:

- *multi-method qualitative study* - more than one data collection and analysis technique is used, but restricted within qualitative world view
- *multi-method quantitative study* - more than one data collection and analysis technique is used, but restricted within quantitative world view
- *mixed-method research* - uses quantitative and qualitative data collection techniques and analysis procedures, but does not combine them
- *mixed-model research* - combines quantitative and qualitative data collection techniques and analysis procedures, as well as combining quantitative and qualitative approaches at other phases of the research such as research question generation. This means researcher might need to qualitize quantitative data or quantitize qualitative data.

This research is a **multi-method qualitative study**, which utilizes in-depth and group interviews, as well as collecting the information from the internet and available publications – the qualitative data collections techniques, and the data is analyzed using qualitative methods as well.

When considering time horizons, it can be a ‘snapshot’ taken at a particular time, which is called cross-sectional time horizon, or a type of ‘diary’ perspective, which is called longitudinal (Saunders, Lewis & Thornhill 2009, 155). This study has a combina-

tion of both, since some aspects of the research are considered over time, and some are analysed at certain time stamp or a short timeframe, which are not long enough to belong under the longitudinal time horizon.

### 3.3 Data collection

The heart of the research “onion” is devoted to the techniques and procedures of data collection and data analysis. The data collection techniques employed in study case approach may be various, may come from different sources and are likely to be used in combination. According to Saunders, Lewis & Thornhill (2009, 146) and Yin (2009, 101), the following data collections methods are the most appropriate for the case study: interviews, observation, documentary analysis, archival records, physical artefacts and questionnaires.

There are both secondary and primary data collected in this study. **Secondary data** implies reanalyzing the data that have already been collected for some other purpose (Saunders, Lewis & Thornhill 2009, 256), and includes:

- basic information about DAP Services collected from the internal company documentation and information available in company web-sites;
- company planning documentation on starting the business in Russia and CIS countries;
- company reports on efficiency of the international operations and perceived brand quality in different countries;
- various reports and relevant data gathered from printed material and Internet.

The **primary data** are collected through several parallel processes:

First is the **observation** – the systematic observation, recording, description, analysis and interpretation of people’s behaviour. In this study **participant observation** is used since it is qualitative and has an emphasis is on discovering the meanings that people attach to their actions (Saunders, Lewis & Thornhill 2009, 288). The researcher adopts a double role in the research, depending on the activity and situation:

- ‘Complete participant’: researcher becomes a member of the group, in which the research is conducted, but doesn’t reveal his purpose. Such setup occurs when having discussions with potential partners and clients, negotiating cooperation terms, and collecting the reactions that allow extracting the specifics of conducting business in particular country/culture.
- ‘Participant as observer’: researcher becomes a member of the group, in which the research is conducted, and reveals his purpose as a researcher. Such setup occurs internally in the company when researcher needs to take part in company activities that contribute to the value of the brand.

**Semi-structured in-depth interviews** with 4 company managers (CEO, CTO, Marketing manager and Business development manager) are conducted. Also **group interviews** with company employees are carried out, and specifically several rounds of **focus groups** with defined topics for the discussion and possibility to enable and record interactive discussion between participants (Carson et al. 2001 in Saunders, Lewis & Thornhill 2009, 343-344). For the respondents from outside the company – selected business partners and clients – the **questionnaire** technique of data collections is chosen, where each person is asked to respond to the same set of questions in a predetermined order (deVaus 2002 in Saunders et al. 2009, 360). Even though it is harder to produce a good questionnaire than to provide topics for the discussion, as in in-depth interviews, I decided it will suit better the purpose since people who are not employees of DAP Services might feel more comfortable with just answering the questions about how they perceive DAP Services and its brands, than to have a discussion about it. There are four business partners interviewed – one from Russia, one from UK and two from Czech Republic, all of them engaged in various solutions and areas of DAP Services operations. There are two clients interviewed – one from Czech Republic and one from Kazakhstan. The design of the questionnaires for business partners and clients is **interviewer-administered**, and it is either **structured interview** (face to face) or **telephone questionnaire** depending on the physical location of the respondent. The remote participants are interviewed with the help of tele- and videoconferencing. Interviews are recorded for data analysis purposes.

The choice of interviewees was stipulated by the fact that those are the most knowledgeable people about the company history, processes, international business, marketing and branding. The in-depth interview and focus group contained fourteen themes around understanding of branding, company mission and vision, products, solutions, brands, target customers, competitors, investigating brand image and identity (associations), value proposition, credibility and current branding and marketing activities (Appendix 5). There were also two questionnaires prepared – separately for the structured interview with business partners (Appendix 8) and for clients (Appendix 7). The topics for the questions were quite similar to the themes of the in-depth interview, with slight differences to make it relevant for either business partner or client.

### 3.4 Data analysis

The analysis procedures of qualitative data allow researcher to develop a theory from collected data (Saunders, Lewis & Thornhill 2009, 480). As the qualitative data may be found in many forms, the first step is preparing the data for analysis. Primary data from the interviews are audio-recorded, and as a preparation step they are **transcribed**, that is, reproduced as a written (word-processed) account using the actual words (Saunders, Lewis & Thornhill 2009, 485).

There is an inductive approach to qualitative analysis used, which means that collected data are explored to extract themes or issues to follow up and concentrate on. With such an approach there is a need to analyze data as one collects it, and develop a conceptual framework to guide the subsequent work.

There is no standardized procedure for analyzing qualitative data, however it is possible to distinguish three basic types of qualitative analysis processes: summarizing (condensation) of meanings, categorization (grouping) of meanings and structuring (ordering) the meaning using narrative. All of these can be used on their own, or in combination, to support data interpretation (Saunders, Lewis & Thornhill 2009, 490-491).

There is a number of inductively based analytical procedures to analyze qualitative data, and in this research as a principal means of analyzing the **data display and analysis** is used, which includes data reduction, data display (organizing and assembling the data into summary diagrammatic or visual displays) and drawing and verifying conclusions. As a complementary means of analyzing collected data the **analytic induction** and **narrative analysis** are utilized for processing the data collected through observations. Analytic induction is ‘the intensive examination of a strategically selected number of cases so as to empirically establish the causes of a specific phenomenon’. (Johnson 2004, 165 in Saunders, Lewis & Thornhill 2009, 508). Narrative analysis is a means to explore linkages, relationships and socially constructed explanations that naturally occur within narrative accounts (Saunders, Lewis & Thornhill 2009, 514).

### 3.5 Reliability

Since research utilized qualitative methods, the questions of reliability and validity become very crucial. “Reliability refers to the extent to which your data collection techniques or analysis procedure will yield consistent findings” (Easterby-Smith et al. 2002, 53). In qualitative research the reliability of the study lies heavily on the presentation of the entire process – on how all the steps are described and analyzed. The whole process should be as transparent as possible, including primary and secondary data collection, processing and analysis. The chosen research approach and the triangulation of a number of the data collection techniques contributes a lot to the reliability of the findings in this research. Certain aspects, like absence of quantitative data collection, selected sources for literature review (which is surely a subset of the available range), necessity to use some sources in Czech language, and certain level of subjectivity in the data analysis create certain limitation for the general reliability of the thesis. However, the brand-building models that were taken as a base for the theoretical framework are the most commonly used and recognized in the field. Plus to that, there was a detailed enough research done on the branding for SME and international aspect of branding. Those aspects surely positively contribute to the reliability.

### 3.6 Validity

“Validity is concerned with whether the findings are really about what they appear to be about” (Saunders et al. 2009, 157). To make sure the findings are valid, it’s crucial to ensure that interviewees are chosen carefully (should be experts in the subject and possess relevant knowledge). This is exactly the case in this research, since the interviewees are the employees from the top management (CEO, CTO, Marketing manager and Business development manager), business partners and clients who work with DAP Services for a certain period of time. In addition to the individual interviews, there were group interviews conducted, which helps to achieve the additional validity due to the interaction between the interviewees and interviewer. Also, there were several sources of the information used, making the findings more accurate and convincing.

In case of qualitative research it might be the case that different researchers using the same analysis method on the same data could find different ideas and theories. They will be interpretations and subject to debate and challenge. Therefore, qualitative analysis must be as rigorous and transparent in method as possible, to allow readers of such research to understand how the conclusions and findings are achieved. They may not be exactly reproducible, but that does not invalidate such results (Greener 2008, 83). The outcomes of qualitative research, as well as of quantitative, may be disputed, that’s why it is vital to detail the methods used for collecting and analyzing the data, and explain as clearly as possible the research design and philosophy, so that readers may understand where the ideas come from and how they were filtered by the researcher.

In this research the theoretical framework creation has all the steps described till the very detail, the methodology is clearly defined, the data collection and analysis is transparent, and the empirical part follows all the steps defined in the theoretical framework to ensure validity with such an extent as qualitative research might allow.



## **4 Brand building process for DAP Services**

This chapter includes the practical brand building process for DAP Services according to the theoretical framework developed in chapter two. There is a need to outline the scope and limitations of the practical part, which are the result of the time constraints and vast possibilities that the topic of branding suggests. The brand building process is considered on the high level, with only some particular parts, which are considered essential for the company in the current moment, analysed in more details. Taking the scope and the limitations into consideration, the next chapter 5 will define what are the next steps to take and how to further develop the brand for DAP Services.

### **4.1 Agreeing on definitions**

One of the biggest challenges during the interviews was to derive a common understanding on what branding and related terms signify for company management, employees, company partners and customers. Depending on the person's position within the company or the view from outside the company, the level of knowledge about the branding, the understanding of its importance, the viewpoint on branding itself and on how is it done in DAP Services was different, which is, in fact, not that surprising. According to the company CEO, the brand of DAP Services is not something that should be perceived and defined in terms of the traditional brand definition. According to his words, what comes to the brand of DAP Services itself, there might not be a need to do much about it, because DAP Services is not the brand for the products and services provided to the end customer. DAP Services covers the diagnostics, analytics and psychology parts. Using this as a base, particular products for the concrete target groups and customer segments are created, and there is the place for a branding in its traditional understanding. Another branding "stream" is a methodology itself, which is strictly separate from DAP Services and promotes Colour-Word Association Technique (CWAT). Such separation was a strategic decision, which was done in order to create a non-profit area of activities with a very strict target group for that – the academic world, which usually does not accept well the cooperation with the commercial entities.

What comes to the understanding of branding, there is a space for improvement between DAP Services employees. There hasn't been much investment done in branding, since it is small company, and it is obvious that company is still searching for itself. Those who have been in the company for longer time say, that three years ago it was totally different from what it is now, and six years ago it was totally different from what it was three years ago. Development and changes are visible everywhere: in the type of the company, services provided, the ways of working, strategy. Such versatility creates a challenge for defining a brand since it's difficult to make hard associations between DAP Services and a certain type of service or product in terms of how it is used in branding. On the other hand, the latest strategy document, which was accepted and presented to the employees in the end of summer 2014, defines longer-term plans, and there is a good ground for defining the brand identity for DAP Services.

## **4.2 Conducting brand analysis**

The brand strategy needs to be viewed from three perspectives: a customer analysis, a competitor analysis, and a self-analysis. The objective of brand strategy is to create a business that resonates with customers, that avoids competitor strengths and exploits their weaknesses, and that exploits its own strengths and neutralizes its weaknesses (Aaker 2010, 190).

### **4.2.1 Customer analysis**

It is a long-term process to get a customer for the solutions, products and services that DAP Services provides, because behind every one of them there is a methodology, which takes time to make people believe in it. This is the one of the biggest challenges, which becomes even bigger considering the image that one can get from the information available in the Czech media. The lack of marketing and branding activities, supported by the critical reviews, creates an unfavourable environment for business development. It is understandable that small company is targeting the quick sales, but one should understand that this would bring short-term results. On the other hand, careful marketing and branding activities create the necessary prerequisites for smart access to the customers.

## *Trends*

The relevant trends can be identified according to the solutions that DAP Services provide. In human resources management the three biggest challenges currently are (SHRM 2012):

- retaining and rewarding the best employees;
- developing the next generation of corporate leaders;
- creating a corporate culture that attracts the best employees to organizations.

In addition, there is an observation that many large companies with a high employee turnover (for example large retail chains) are seeking for the solutions to automate at least some particular parts of the recruitment process. For example, one of the major retail chains for mobile communications services in Russia is searching for such solution to implement on the federal level, and here are the words of one of the HR leaders: “Our strategic objective currently is to implement automatic employee selection prior to the interview process”.

In education:

- Competences desired by the student in order to be employable in the future are media and ICT literacy, communication skills, problem solving and collaboration.
- Education today is seen as a way to decrease social inequalities, to avoid conflicts, and to learn respect and tolerance.
- Soft skills are becoming more important: communication skills, problem solving, reasoning, leadership, creative and analytical thinking, motivation, team work, learning to learn.
- Giving teachers more autonomy to innovate.

In Marketing research (Kleinschmit 2013):

- Rise of mobile data gathering
- Listening on social media
- Gathering consumer insights at the speed of the business

In sports:

- Increased use of psychological assessments for athletes and sport teams to investigate the relationship between their personalities and performance.

### *Customer motivations*

Interesting finding is that most of the customers and clients said that the biggest motivation for them to try the diagnostics was a curiosity! They tried it out for fun, only to try something new and non-standard, and it exceeded their expectations. Once they tried, made themselves familiar with the background, seen the references from other organizations, investigated the potential possibilities, there are other reasons appeared for using the diagnostics. These are the motivations that are currently making DAP Services customers and partners use their services:

- Making partners/customers solutions stronger;
- Utilizing easy-to-adapt DAP Services products to create fast and flexible solutions for the end customers;
- Making partner's solutions unique by bringing in DAP Services diagnostics;
- Helping to resolve a complex issue in an easy way;
- Getting a genuine answer to the question.

### *Segmentation*

There two main segmentation schemes to be considered for DAP Services. First, according to the type of the business relationship – B2B or B2C; and second, according to the type of the solution DAP Services provides – HR, Education, Marketing research, Sports and Healthcare.

According to the latest company strategy document, DAP Services is considered an R&D company in the area of the psycho-diagnostics (Strategy 2020). The main objective is to develop and cultivate the methodology, which company owns, and to be an

infrastructure service company that takes care of methodology statistical core. The products developed either by DAP Services or in cooperation with the partners are to be sold by the clients, meaning that DAP Services is not performing the task of selling to the end customer at all. In that sense, the major challenge for DAP Services is to find a good reliable partner, who would trust the methodology and the company, and take on the sales responsibilities. This is exactly what B2B type of relationship means for the company. As CEO said, for DAP Services itself the customers are business partners. The vision is to have B2B type of business only. The partners are divided according to solutions DAP Services provides: **in HR** those are HR professionals, consulting and training companies; **in Education** – schools, universities, all kinds of educational institutions, as well as the government, which might need to evaluate educational organizations not only for academic achievements, but for the school atmosphere, attitudes, behavioural risks; **in Sports** – the companies, which are supporting athletes and sport clubs in terms of mental coaching and sport psychology; **in Market research** those are the companies dealing with market research, advertisements, different lab companies; **in Healthcare** (this is the solution in the very early stages of the development) – hospitals, rehabilitation centres, specialized clinics. In general, those are the companies able to sell their services in connection to our diagnostic tools to their end customers. The business partners are the B2B customers for DAP Services, and they are the ones, with whom DAP Services is working on developing and/or selling the specific products for the end B2C customers. Specific product is created in order to resolve a specific problem, and this is already something, which can be a marketable brand, clearly associable with concrete topic or problem that people have. Nowadays companies brand every single thing – Adidas creates the whole web site only for a certain model of shoes, because they know that this is the association you have, which makes the underlying conditions for the emotional decisions you make.

According to the setup strategy, the task of finding the end customer is the responsibility of the business partners, but currently it's not entirely this way. It's the long-term vision. So far, B2B business model doesn't generate enough money for the company, and there is around 30% of the sales happening through own B2C sales. DAP Services is currently in the transformation period, targeting to force down with time all the B2C

type of business relationships, to create a clear marketing message for partners, and to gather a strong team of good business development managers who will maintain the B2B relationships end-to-end. In general, every human based operations somehow connected with decision-making can be supported by the psychological diagnostics based on CWAT.

#### 4.2.2 Competitor analysis

The common answer to the question “Who do you think are the competitors of DAP Services?” was “We don’t have any competitors.” That is of course the question of who do you or don’t you consider as the competitors. What DAP Services provides is a psychometrical diagnostics, and there is plenty of other companies doing that, so all of them can be considered competitors. For example, within Czech Republic, the main competitor in Education is company called Psychodiagnostika ([www.psychodiagnostika.cz](http://www.psychodiagnostika.cz)). They are selling their products to schools, assessing how students are able to learn and such. They have strong connections to government, and they get many projects in EU. The relationships between Psychodiagnostika and DAP Services didn’t happen to be good, and that contributed a lot to a negative image for DAP Services in Czech Republic market.

There are other psychological assessment methodologies, which are popular and can be considered as competitors to the DAP Services CA methodology, for example:

- MBTI - psychometric questionnaire designed to measure psychological preferences in how people perceive the world and make decisions (MBTI 2015). It is widely used in Czech companies, as well as worldwide. There are only four companies in Czech Republic, though, which have MBTI certification, and one of them is the business partner of DAP Services – RPIC-VIP company (<http://www.rpic-vip.cz>)
- DISC personality testing, which evaluates person’s communication abilities and suggests the ways of improving interpersonal communication and interactions with others (DISC 2015)

- 360-degree feedback is a method of systematically collecting opinions about an individual's performance from a wide range of co-workers (peers, direct reports, boss, boss's peers) and people outside the organization (CCL, 2015)
- Lüscher colour test measures a person's psycho-physical state, his or her ability to withstand stress, to perform, and to communicate (Lüscher 2015). The work of the Professor Dr. Max Lüscher was one of the strongest motivations and inspirations for the founder of the CA methodology owned by DAP Services – Jiri Simonek Senior.

Lüscher colour test deserves a special paragraph when talking about competitors. There is a lot of people, potential customers and business partners who are asking in the beginning: the diagnostics that DAP Services has – is it something like Lüscher test? Of course, there are similarities, both tests use colours as a base for assessment, but there are essential differences, which we are not going to discuss in scope of this thesis. The essential part is that Lüscher test is considered to be valid and proven, even though, as Max Lüscher himself said to DAP Services CEO, they never stepped into the contemporary development and haven't created the IT version of the test, leaving themselves far behind the competitors, being not able to adjust to the modern technologies and collect large data. At the same time, the reliability and validity of Lüscher colour test, its acceptance by the academic world, is a value that CA diagnostics doesn't have. There is a project ongoing between DAP Services and the Institute of Psycho-medical Diagnostics in Lucerne, Switzerland (which Prof. Dr. Max Lüscher is the Head of) on the cross-validation of the methodologies. This is a great example of how competitors are converted to partners.

Coming back to the methodology itself, there is nothing similar existing; it is a unique one, which reveals the true personality characteristics and attitudes of the person, and in that sense one can say that there are no competitors for it, but rather substitutes. However, there is a need to evaluate the competitors based on the end customers of DAP solutions and products as well, and here it will depend on the product specifics. There is a case of SoftSkillers brand described in the sub-section 4.8.2, which has an example of the competitors for a particular product.

Here is one remarkable comment from the client, illustrating how competitive advantages of CWAT are being understood: “There are quite many companies with similar services as DAP Services has, but using different methodologies, based on the regular questionnaires. We’ve tried that, many of them, and the results were not breathtaking – what’s the value when people can give the expected answer? CWAT seemed to be something out of the box, something new and genuine. The feedback from the participants of the training courses combined with the diagnostics based on CWAT was as high as company hasn’t seen before.”

To conclude, the common competitors’ strengths are good position in the market, proven validity and reliability, acceptance by the academic world, and common application in different areas. What comes to their vulnerabilities and disadvantages, there is a possibility to falsify the results by giving the expected answer in the questionnaires, the results are not that extensive, and they take longer time to take the test and provide the results. The bottom line is: DAP Services has all the strengths and advantages to flourish in the market, the only problem is that almost no one knows about it. Competitors have ordinary offerings, but they know how to sell them.

### **4.2.3 Self-analysis**

#### *Existing brand image*

As said by customers and partners, although the loyal ones, DAP Services doesn’t have a name on the market yet. “Brand” is a strong word for it. Indeed, when searching for the information about DAP Services and CWAT in the internet, one finds more negative information than positive, especially in the circle of psychologists, saying that the methodology is not proven to be working, and that it should not be used for certain kinds of groups. In Czech market quite many reviews and comments are negative. Although those are the unjust statements, and all the current clients and partners understand that, the information still stays in media, and is available for people who are willing to find out more. So the current brand image in Czech Republic is much poorer



than DAP Services deserves according to what they possess, and there wasn't much effort put from the company to defend their position and improve brand image.

In the international market the situation is much better. DAP Services have partners and clients in Slovakia, Austria, UK, Poland, Serbia, Germany, Israel, USA, Russia, Kazakhstan, Bosnia and Herzegovina, Slovenia and Croatia. All of them are satisfied with the cooperation with DAP Services, and really appreciate and make good use of the diagnostics, and recognize the added value it brings. It's a long process, though, to get people to believe in CWAT since it's not a very common diagnostics technique, and it takes time to get a client or partner "on board". There are other reasons for that, of course, except for the specifics of the diagnostics, and one of the main being the lack of essential skills within the organization – international business development and ability to explore cultural knowledge of the target markets.

Internally DAP Services feels to be a lifestyle company to some extent. People obviously enjoy working here and do things together, although all of them being busy with the day-to-day agenda. People internally do not perceive DAP Services as a brand, many of them don't even see a clear need for this. People involved in the IT tasks or having supporting roles perform a particular set of daily responsibilities, and knowing the bigger goal, the mission and vision wasn't as essential for them, as it clearly was for people in the managerial positions. No wonder, managers are the ones who need to make decisions according to the company vision and mission, and manage the projects and various activities according to the agreed strategy.

There are certain things that have been done about branding in DAP Services. There is a solid strategy document describing the strategy from different perspectives, including basic purpose, sales, solutions, regions, finances, R&D, marketing, PR, training, business partners management, operations and CSR (Strategy 2020). There are quarterly company wide meetings organized in order to share the information, socialize, and if needed come back to the strategy. There are common ways to share the information in the company virtual communication board, and there is a CRM in use for the tasks management, where everyone has an access to. Along with that, people still think that

they are detached from what others are doing, not entirely understanding the essence of their work, even when explained. Partly, this is of course because we all have different areas of expertise, experience and responsibilities. Partly, because we might not be willing to know and understand what others are doing due to time constraints and other reasons. And partly, because we might not share the same mission and vision when doing our job, which of course affects on what and how we communicate to others. People need to know that they are building a cathedral, not just cutting the stones because they were assigned to do it (see the section 4.6.2 for the ‘Parable of the Three Stonecutters’). Internal branding is also a process, a long-term one, which requires certain steps to be taken. Important point is that the company has changed a lot during the last years since the online version of the diagnostics has been taken into use. There are certain processes that should be followed when such kind of changes are planned, however in DAP Services case those processes were neither carefully thought through nor properly implemented.

Here is the list of most popular associations that people get when talking and thinking of DAP Services, its diagnostics and products:

- Colours and colour spheres
- Comprehensive and extensive results
- Finding out new things about self or others
- Throwing the light on the problem
- Eye-opener
- Accurate metric of whatever competency one is trying to measure

### *Brand heritage*

Although DAP Services is a small company, it has a strong heritage. The history of the methodology used in the diagnostics goes back for over 30 years, starting from the time when its founder, Jiri Simonek Senior, the father of the current CEO, Jiri Simonek Junior, was a student interested in psychology (CA method, 2015). The lack of precise, clear and unambiguous methods of psychological diagnostics motivated a young student to develop something new. He started using colours, quite intuitively,

inspired by famous psychologists who were using colours and images in their psychology research and practice. The idea of combining colours with words through associations came while working with pre-school age children at the advisory council – asking them questions in words and asking to reply in colours. Those two are the main components of the methodology – (1) words, which are purely human, invented by humans and culture dependent; and (2) colours, which are natural, independent of human beings, not created by them and culture independent. Connecting those two components through associations is a base of the methodology, where the process of the associations is a very natural process for human beings. A very distinct feature of the association between the word and a colour is that it is culture independent – it doesn't matter what the origin of the respondent is, the light and colours are the same everywhere. The words are, of course, a different case – they sound and are written differently in different languages and cultures. The essential point is that regardless of the language, there is always a coded sense in every word or phrase, through which people communicate the meaning and reasoning to the world. Whatever the encoding is, there is a certain sense in the word, and it can be associated with the colours, which means the methodology is universal, transferrable and can be used world-wide (CA method, 2015).

It was a hard work to start the development of the new methodology, full of obstacles, especially considering the time and regime in Czechoslovakia in 1970-80s. It was hard to get proper books, search for the information, and bring in something new. Mr. Simonek Senior was starting by using colourful papers, hand-written data and manual result processing. He worked with children, prisoners, and other people with issues to help them and develop the methodology. There is a genuine altruistic aspect in that, which luckily remained till now and is visible in company daily life. The CEO of DAP Services, founder's son, holds tight to and owns the methodology, investing a lot to its development and promotion.

## *Strengths/capabilities and weaknesses*

According to the founder, the biggest added value of the methodology is its ability to record respondents' true attitudes (CA method, 2015). Nothing artificial can be brought in during the diagnostics; it enables the person to express him or herself in the most natural way. The approach of results evaluation does not categorize people, as most of the diagnostic techniques do, which naturally preserve every person's individuality while giving and honest and reliable results. In addition, the diagnostics is very quick and provides a good summary of person's feelings, memories, experiences, and attitudes.

### **The summary of strengths and capabilities:**

- *Unique methodology*
  - It is “blind”, i.e. reveals real unbiased personality of the respondent and doesn't leave the room for adjusting the answers to the expected ones;
  - It is the combination of different important aspects of the diagnostics – it tests the object, phenomena, processes;
  - It reveals cause-effect relations, which is very rarely provided by other statistical methods.
- *User-friendly implementation* – nicely looking coloured spheres in the user interface, easy to use application with clear instructions what to do
- *Fast process of the diagnostics* – takes only 15-20 minutes, whereas other methods usually take much longer time.
- *Fast generation of the results* – data processing is done right after user answers the last question and results are available immediately.
- *Presentation of the results* – lots of graphics and summaries, which is easy to perceive, especially when there is a big amount of the information to be processed.
- *Decision making support* – especially useful in constantly changing social environment

- *Provides true unbiased results* – brings added value in the diagnostics of both adults who tend to present them differently than they truly are, and kids who often have difficulties of expressing their opinions and feelings.
- *Location independent* – the diagnostics is web-based, and it's a matter of sending a customised link to the client/business partner to enable them to take the test online.
- *Professional consultants and trainers* whom DAP Services is working with – they are making the best out of the diagnostics for the best of the respondents.
- *Flexibility* – the possibility to adapt the products according to the particular needs, problems and end users. The results of the diagnostics can be presented in the form required for the end user.
- The application itself is *fun to use*

**The summary of weaknesses:**

- *Weak network of business partners*, which prevents from using the products in the most efficient way. In the year 2009 there was a strategic decision made: gradually reduce B2C sales, and concentrate on B2B instead by finding good partners who will do the sales and marketing so that DAP Services can concentrate on what they are the best at – development of their methodology. The decision was taken, but poorly planned and executed.
- *Need for consultation and interpretation* to fully understand all the benefits of the diagnostics. This sometimes creates mistrust and pushes people away. Face-to-face communication is a necessary part of company service.
- *Validity and reliability* – there is a doubt in academic world and often among potential clients if the methodology really works, and if the colours associated with words are really enough to make conclusions about the personality. There is a weak university background, no scientific base for the methodology, no full professional acceptance and no expert publicity.
- *Privacy concerns* – is it safe to use? The data is very sensitive, so there is a big concern on where the data is stored and how the results are handled. Certain personal characteristics people do not want others to see, even the consultant who

interprets the results. People might be afraid to use such diagnostics where they don't have the control of what is going to be revealed about them.

- *Dependency on the interpreter* – although the guidance is the same, all the people are different and apply subjective judgement. Some people can really impress and connect to other people; whereas others are less successful in that.
- *Undefined business processes in the company* – it feels that the company is young, and it is visible that the processes within the company are not fully established. There is a goal to do international business, but the haste for the quick money stands out. There feels a need to define concrete business processes and the decision-making rules.
- *No focus* – the company has too many solutions and products, and none of them is perfectly done. The range is too broad, there is no focus and concentration.
- *Resistance towards colours* – sometimes people consider strange to do the diagnostics via colours, they don't trust it since it's different from regular questionnaires that they got used to and feel safe about.

### *Soul of the brand*

Here is the right place to talk about company mission, vision and values. What are they? According to CEO, the mission of the company is about being focused on the diagnostics itself and to have good partners worldwide for other services. DAP Services is meant to be the support company for its business partners, but in fact it does much more in much wider scale.

A brief digression to the latest DAP Services history is appropriate at this point. Still five or six years ago DAP Services was “separated” as a company, doing their business alone, focused on the quick sales, with 11 people in the sales department. This kind of approach brought only short-term deals, required big efforts, and the company was missing the focus. In the year 2009 they've adopted a strategy of being a supporting organization (from both IT and psychology point of view) for their partners. They started to concentrate on being experts in diagnostics, supporting their partners, moved customer support role to their partners, and renamed sales department to busi-

ness development department. This move has created a certain focus for the company and added on to the stability. The main goal for DAP Services became to create a circle of trustworthy long-term business partners worldwide, whom they will support in building their local brand with DAP Services methods/products in the core.

The strategy set in 2009 wasn't fulfilled from branding point of view. This could have been a much stronger brand if the company stayed within cooperation with business partners, but for SME it's not that easy, and there is a need for the cash flow, which is much quicker to get through B2C processes.

The understanding of company mission importance is quite low in the company, and only some of the discussions raised a question: Why do we need it? Why would we spend time with such artificial things like defining mission and vision? This clearly shows that as a first step there is a need to educate the personnel on the importance of it.

Here are several mission statements that were provided by different employees from the top management:

- Wide and esoteric: "We provide the mirror for the sole"
- Narrow and down to the core: "We produce psychological diagnostics based on CWAT".
- Humanistic: "We help people to recognize and understand themselves"
- HR related: "We know how to assess. Our unique tool based on CWAT can help individuals or teams uncover many WHYs and improve their performance."

What comes to DAP Services vision, it was great to see that most of the interviewed employees brought up the same statement as the one specified in the strategy documentation (Strategy 2020, 6): to grow into strong international company with certain level of export, and within 3-5 years to have 30-40 reliable partners worldwide, who will be dealing on their markets (sales and marketing) with DAP Services support.

There is an aim to be more focused what comes to the areas, more broad what comes to the territories, and have a strong partner in each area. DAP Services sees itself as a support company for the partners, working on the background, continuously improving the methodology and obtaining scientific relevance.

Interesting to mention how external people (business partners and clients) see DAP Services vision – two points were dominating in the interviews:

- an expansion of CWAT on different territories across cultures;
- evolving B2B relations and gaining certain profits by creating specialized products.

What comes to values, those were not discussed at all, and apparently are not existent on the paper. There will be a need either to discuss them in the process of defining the identity for the brand or to consider their formal development as a further research.

### **4.3 Defining global brand identity**

Having the strategic brand analysis at hand, the next task is to define the brand identity for DAP Services – according to how it is desired to be seen by the company management and the strategic goals for the next years.

#### **4.3.1 Brand as a product**

It is natural that most often the brand is associated with the products that it produces and/or services that it provides. To define the brand as a product, it is worth of considering the product scope, their attributes and quality, and the country of the origin.

##### *Product scope*

DAP Services has a wide range of products, which are categorized under 5 distinctive solutions:

1. Human Resources
2. Education



3. Market Research
4. Sports
5. Health care

There is no unity in solutions structure, they are differently planned and developed, have different priorities, different types of products and services, and of course are considered differently from the branding point of view (figure 10).



Figure 10. DAP Services Solutions (own development)

All the company products “sit” within those 5 solutions. There was a vast variety of them, some are with a slight difference from each other, since historically they were appearing through to the current products adjustments due to the client requests. Currently many of those products are ramped down, and the focus is now shifted towards the creation of strong flexible solutions based on the unique methodology. Some of the products are brands created in cooperation with business partners, and others are

parts of the solutions branded under DAP Services. Section 4.4 defines the global brand architecture that has those products listed.

### *Products attributes and value*

Regardless of the amount of solutions and products, all of them have the same methodology and the process of the psychometrical diagnostics as a core, which assigns the following valuable attributes to all of them:

- Unique and innovative: patented methodology
- User-friendly: nicely designed, web-based, easy and fun to use
- Provides genuine results: methodology does not allow giving expected answers
- Fast process of the diagnostics and fast results generation
- Flexibility: easy to adjust according to the needs

The value that those attributes bring is:

- Help in making right decisions
- Easy to setup: sending a customized link to web application to any location
- Making customers' and partners' solutions unique by bringing in unique methodology
- Finding out self and others real personalities, abilities, attitudes

### *Country of origin*

This is one of the most challenging aspects in branding of DAP Services products. What kind of associations appear in people's minds when someone mentions Czech Republic? Right, good beer and ice hockey. Not psychological diagnostics and related solutions in the areas of Human Resources, Marketing research or Education. In addition to that, as was already mentioned before, the company has managed to destroy its own reputation in the home market, without even being guilty (see sections 4.2.2 and 4.2.3).

So being from Czech Republic is certainly a challenge, at least for the west. DAP Services brand in the west is weak, and this is the case where the most efficient way would be leveraging secondary associations and using co-branding or white labelling in cooperation with local partners in different countries. As an example, DAP Services has a business partner in the UK, whom they have a great cooperation and trustful relationships with. The main business area of the partner is education, they are strong in that, and what comes to UK they are very strong in education in general. UK education system is a model for development – one third of all the Nobel laureates come from Oxford and Cambridge. Building a brand for the educational products has to leverage the cooperation with UK companies, as it was done for the BrightLightOn – this is a product of co-branding between DAP Services (Czech) and Redburn Solutions (North Ireland), which has got a very good assessment, but haven't brought a good revenue yet and haven't become a very successful brand due to a poor marketing and wrong choice of the distribution channels.

#### **4.3.2 Brand as organization**

As an organization, DAP Services is a healthy mix of consulting, psychology, statistics, R&D, innovation and IT. Employees make up a nice group of people with different backgrounds and skills, and they apparently have fun working together. From the organizational point of view, the objective is to attract like-minded partners to promote existing solutions and products and to create new ones in cooperation with business partners. DAP Services want to have an image of a good business partner, so that all those who entered a business partnership with them were proud of the labels like “created together with DAP Services” or “powered by CWAT” on jointly created products.

DAP Services wants to be seen by the business partners as a company that:

- Provides psychological diagnostics, consultation and training
- Has technical and development capabilities to support their partners
- Has the best people who can be trusted

## *Organization attributes*

Organizational attributes describe organizational culture, which consists of values, beliefs, attitudes and behaviours that employees share and use on a daily basis in their work. The organization culture determines how employees describe where they work, how they understand the business, and how they see themselves as part of the organization (Rogel, 2015). For DAP Services the following attributes appear to be the most relevant:

Positive:

- Engagement: this is a fun place to work
- Integrity: we trust each other and we are trusted by clients and business partners
- Results: we are result oriented
- Adaptability: anti-corporate, flexible, friendly environment
- Responsibility: we take accountability for what we do
- Volunteering: we help in ZOO

Negative:

- Meaning and purpose: unclear about the mission and vision
- Communication: we don't seem to share enough

Obviously, the topic of the company mission and vision, and their internal and external communication is one of the most essential ones. Mission and vision is something that connects company with customers. DAP Services is good in psychological diagnostics based on their CWAT, but there is a very limited audience that knows about it. There is no exact target audience defined, there is no clear message to the target audience, and there is no clearly defined way on how to deliver that message.

What comes to the target audience – that is pretty simple, those are the businesses that solve particular human related problems. As an example, recruiting agencies, various training providers, consulting companies – those, where human capital is involved and people assessment is required in order to proceed in the decision making processes.

This is where DAP Services message to the target audience comes in – adding value during the assessment step. The essence of their business is assessment, the kind of assessment that none of other providers can offer, and this is where the mission statement should originate from. It should be seen from the perspective of the result – what do you offer to the world to make it better?

Coming back to B2B approach, it is essential for DAP Services to develop an extensive network of business partners worldwide. The kind of business partners who have narrow specialization, who solve particular problems, who can benefit from the assessment that DAP Services provide, and, on the other hand, add on to it by making it relevant for solving actual issues. Assessment is the step one done by DAP Services, and making the change happen is the step two done by the business partner. Those two steps is an essence of a win-win cooperation and efficient problem solving. Several examples of existing successful cooperation around the world: in Moscow (Russia) they use it for personnel assessment (HR solution); In Serbia – to help kayak sportsmen to prepare for trainings and competitions (Sport solution); in Sakhalin (Russia) – to develop a new ice hockey team (Sport solution); in Israel and other European countries – to evaluate product attractiveness (Marketing Research solution); in UK – to evaluate school atmosphere and teaching effectiveness (Education solution).

Here is a suggestion for mission and vision statements for DAP Services:

**Mission:** Our psychometrical assessment tools help you to cognize, be aware and make right decisions. We develop and cultivate our unique method CWAT to make it possible.

**Vision:** Grow into strong international company with an extensive international partner network. Support partners in utilizing existing solutions locally and in developing new unique customized solutions based on the CWAT.

An essential thing is to revisit those statements as often as required, evaluate their relevance during the course of the business development, refine and renew when needed and align with the company strategy.

### *Local vs. global*

Internationalization, or globalization, is a natural process for the company that originated in the small market, and has a service that is culture independent and easily localizable. Plus to that, when extrinsic circumstances contributed to the negative company image in the country of origin, there is even higher motivation to go international. DAP Services have originated as a Czech company, however nowadays they are successfully cooperating with business partners and clients in thirteen countries besides Czech Republic (see section 4.2.3 for the country list and more details).

#### **4.3.3 Brand as person**

Personality makes brand identities richer and more interesting, it assigns human qualities to the brand, and that can become a basis of a relationship between the customer and the brand. DAP Services personality reflects the following points:

- Genuine and insightful
- Easy to approach
- Pleasure and fun to do business with
- Reliable long-term partner

#### **4.3.4 Brand as symbol**

The most symbolic visual imagery in DAP Services organization is colours and their meaning. Everything whirls around them. Colourful spheres arranged in a circle (see figure 1 in the Introduction) – that's the first association with the company almost every interviewed person came up with. Other associations were with the process of diagnostic itself, and how one chooses the colours associated with particular word or phrase. Most of the people, who went through the process of the diagnostics, name colours and coloured spheres as their first association when talking about DAP Services, and that is a clear prerequisite for a strong symbol that has a potential to contribute a lot to the unity and structure of the brand identity, and make it easier to gain recognition and recall.

DAP Services logo (figure 11), which is present in the company official web site, in the advertisements, email signatures of the employees, in social media, and in all the official documents, does include the colourful circles too, which contributes to the associations as well.



Figure 11. DAP Services logo (DAP Services site, 2015)

What feels missing is valuable visual imagery in the presentation of particular solutions. The strong associations with colours and colourful spheres should be maintained throughout the whole product line, and that can also inspire the creation of catchy metaphors and slogans. Appendix 8 illustrates imagery ideas for Education, Human Resources and Sport solutions.

#### **4.3.5 Value proposition**

Value proposition consists of functional, emotional and self-expressive benefits delivered by the brand, which are derived from the identity definition.

Functional benefits:

- Innovative assessment tool: unique methodology that provides genuine results and excludes the possibility to provide expected answers during the diagnostics process
- Ability to measure “soft” things “hard” way (ability to measure soft skills and assess the progress of its development)
- User-friendly interface
- Easy procedures: web-based application, simple setup, easy to use, fast diagnostics process
- Efficiency: results are available right after the diagnostics is finalized, and include a lot of valuable information in the readable format

- Scalability: assessment can be done not only for one person, but for a group of any size or for the whole company
- Flexibility: diagnostics can be adjusted according to the needs, industry, or specific problem

Emotional benefits:

- Makes you aware and inspires for change
- Fun to use
- Potential source of emotional benefit is colours. Colours are natural, people like them, curious about them, kids take it as a game. Such way of diagnostics is more entertaining than any other type of questionnaire. Most of the traditional diagnostics methods include 100-200 questions, require hours, make people tired and frustrated, and give similar or less outcomes.

Self-expressive benefits:

- Making partner's solutions unique

#### **4.3.6 Credibility**

The aspect of credibility is very important when it comes to B2B cooperation and supporting other companies in their business. First thing that contributes to the credibility is fair cooperation rules. DAP Services uses two general approaches when working with business partners:

- 1) Business partners work with existing DAP Services products, taking the responsibility to market and sell them in their respective geography, and the revenue is split 50/50. If there is a noticeable investment from the business partner side to the marketing, and product is selling well, the revenue split can be reconsidered with the lower part for DAP Services.
- 2) If business partner comes with a good idea of a new product, ready to invest and if it fits with company strategy, DAP Services specialists can commit to the development of a brand new product. With such setup the revenue is split with a higher percentage for business partner and lower for DAP Services.



Another crucial aspect of the credibility, specific for this particular area of business, is who are the people involved in the cooperation with business partners – they should be high level professionals in interpreting diagnostics results, with psychological background, good communication skills, abilities to teach others and engage people.

One more aspect of the credibility is the validity and reliability of the method itself. In order for it to be considered scientifically proven and valid, there is a need for one or better several publications in strongly peer reviewed prestigious academic journals, which has high credibility, and where nothing goes through unless it has a certain level of quality. As was already mentioned in this thesis, CWAT is missing such scientific proof, and that is one of the major weaknesses. So far there is only empirical evidence that the methodology works.

There is one more credibility aspect, which becomes very relevant in the international business there is a limitation to deal with certain people in the company who know the common language. For DAP Services this point has become especially applicable when business negotiations have started with Russia and Kazakhstan where the level of English language knowledge is considerably lower than in Europe. Of course the target is always to reach such level or credibility that it is not associated with certain people, but with company brand. This target has happened to be a challenge.

Credibility is something that is not given for granted, it has to be built. If you're not open, transparent and honest, people will see you through very quickly. Building a relationships is a long-term, time consuming and very important process. One has to work on them and guard them to remain relevant and credible.

#### **4.4 Defining global brand architecture**

DAP Services brand architecture is quite a complex from the historical point of view. There were a lot of conceptual changes within organization, which affected the structure of the solutions, and the amount of products and brands. Current brand architecture is presented on the figure 12.

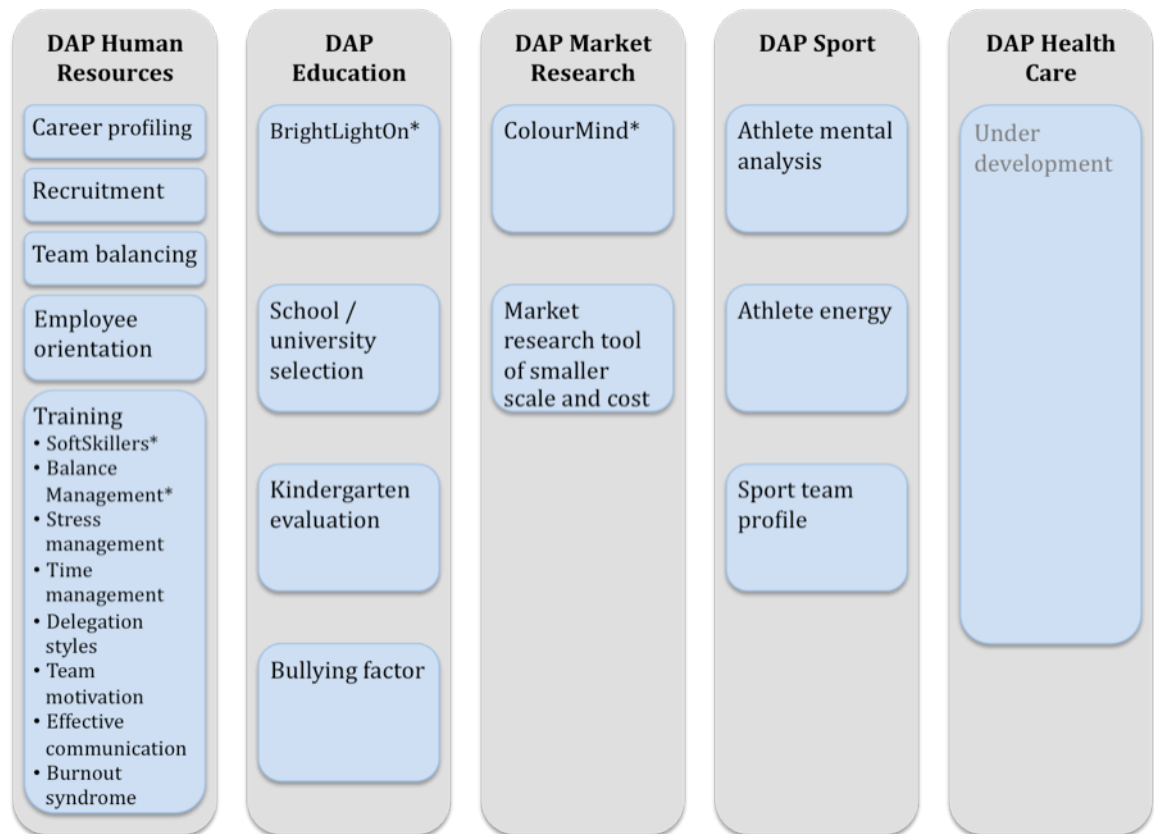


Figure 12. DAP Services brand architecture

DAP Services solutions can be considered DAP brands, since those are the distinctive areas, which all the specific products are developed in. There is a consistent solution naming, each of them having DAP prefix, a sign of a parent brand, and each of them has a focus on a particular topic or field of operation. How well those brands are developed is another question, of course.

Each of the solutions has its own structure, number and types of the products and brands under them, and level of market readiness. The most developed is DAP Human Resources solution, and that was the reason to choose it as an example and describe in a bit more details. HR solution has five distinctive parts reflecting the step of the employee development in the organization. Under each part there is a specific service provided:

- 1) Career profiling – career guidance for students and young specialists,
- 2) Recruitment – assessment of the job applicants and selection of the most appropriate candidates to the open positions;

- 3) Team balancing – evaluation of the team performance, choice of the appropriate leadership style and organic integration of the new team members;
- 4) Employee orientation – introduction of the new employees to the new working environment, establishment of coaching and mentoring standards according to his personal style and characteristics;
- 5) Training – employee development through training programs.

Some of those services are represented by one application that helps to reach the objective, like for example career profiling – there is a specially configured diagnostics that can assess person's strong and weak points, based on what DAP Services specialists can develop a career development plan. On the other hand, other services are naturally more complex, like for example training – there is a vast amount of possible trainings, which can be offered, and some of those are complex solutions by themselves. The example, **SoftSkillers** product – an extensive training program, which has at least two psychometrical diagnostics tests included (before and after the training to evaluate the progress) and a training on specifically chosen soft skills. SoftSkillers is a result of the joint development of DAP Services and their partners, Czech company “RPIC-VIP”, it has its own web site ([www.softskillers.com](http://www.softskillers.com)), it is separately branded, and it is one of the most successful branded products under HR solution. Section 4.8.2 provides more details on SoftSkillers product.

Examples of other branded products developed jointly with the partners:

- **BalanceManagement** ([www.balancemanagement.com](http://www.balancemanagement.com)):
  - measures the attitudes of the individuals and teams towards working environment
  - belongs under Training service of DAP HR solution
  - joint effort with Czech company Engage Hill
- **ColourMind** ([www.colourmind.com](http://www.colourmind.com)):
  - investigates the perception of the brand, guides product attributes selection
  - belongs to Market Research solution, and is the only product/brand/service within the solution

- joint effort with Czech company Engage Hill
- **BrighLightOn** ([www.brightlighton.net](http://www.brightlighton.net)):
  - evaluates school atmosphere, teaching and learning effectiveness, behavioural risks
  - belongs to the Education solution, and is the only branded product under it
  - joint effort with Irish company Redburn Solutions

The brand architecture in the company is not explicitly defined yet. Figure 12 is an attempt to put an origin to it and motivate company management for brand architecture development. Such a complex solutions/products/services/brands structure requires special attention, clear definition and constant development.

#### **4.5 DAP Services brand identity resume**

Before talking about the brand identity implementation, I'd like to conceptualize a bit the brand identity for DAP Services – to assign the relevant dimensions to core and extended identity, to extract the benefits to be listed in the value proposition, and to mention the credibility as an important point in any business partnership (Table 2).

Table 2. DAP Services brand identity resume

<b>Core identity</b>	<p><i>Unique value offering:</i> Innovative psychometrical assessment tools based on the unique CWAT</p> <p><i>Relationship:</i> Trusted and reliable partner for a long-term business relationships</p>
<b>Extended identity</b>	<p><i>Product scope:</i> Solutions for different areas of business and human activities</p> <p><i>Brand personality:</i> Trustful, genuine, fun and insightful</p> <p><i>Slogan:</i> “Powered by CWAT”</p> <p><i>Heritage:</i> 30 years of research &amp; development</p>
<b>Value proposition</b>	<p><i>Functional benefits:</i> Innovative assessment tools, genuine results, user-friendly interface, measuring “soft” things “hard” way, easy procedures, fast and extensive results</p> <p><i>Emotional benefits:</i> Makes one aware and inspires for change, fun to use</p> <p><i>Self-expressive benefits:</i> Makes partner’s solutions unique</p>
<b>Credibility</b>	<p>Reliable long-term business partner putting forward fair rules</p>

#### 4.6 Implementing global brand identity

Brand identity implementation consists of two parts – defining the brand position, which is a part of the brand identity and value proposition actively communicated to the target audience; and execution of brand communication activities, which includes both marketing communications and internal brand communication.

#### **4.6.1 Global brand position**

To develop a strong brand position statement, there is a need to address four aspects (Aaker 2010, 176-185):

- 1) Elements of the brand identity and value proposition, which will resonate with the customer
- 2) Target audience
- 3) Active communication and its objectives
- 4) Demonstrating the advantage over the competitors

Considering those aspects, the following brand position statement is suggested:

“DAP Services innovative assessment tools based on the unique associative methodology provide genuine unbiased information about personalities and team attitudes, which allow our partners in various areas of operations enhance their decision making, motivate their people, develop them, and continuously improve their services.”

#### **4.6.2 Brand comms execution**

Execution of the communications is one of the most important parts. The most strategically logical position is not worth of implementing if a brilliant execution cannot be found. Perfectly executed communication program breaks through the clutter by shocking, entertaining, or involving the audience. At the same time, it must implement the positioning strategy and connect that implementation to the brand name. This is a very hard task to accomplish, and below are some ideas on how DAP Services can approach it.

#### ***Marketing activities and IMC***

One obvious thing is that marketing communications in DAP Services are not implemented in a way that maximizes delivery of the needed information to the target audience. The main reason is that there wasn't clearly defined what to communicate, how and to whom. Plus to that, till some not long time ago there wasn't a dedicated person in company to perform those responsibilities, and all the marketing communications

were performed on the ad hoc basis. Now the first step of defining what and whom to communicate was done, and below are several suggestions on how to implement it:

- Refine the brand identity, value proposition and brand position statement if needed, and create clear marketing messages based on that.
- Consider the pitfalls hidden in the uniqueness of the methodology:
  - The uniqueness of the methodology behind the diagnostics might become a challenge instead of a selling point: it is easier to sell something that consumer is familiar with, something that is almost as another supplier has, but slightly better or with slightly better price.
  - High risk of mistrust from the potential partners and customers: people are suspicious and frightened of things they don't know, and they don't trust them.
- Utilize all the relevant channels for delivering the brand position
- Leverage “the word of mouth”, use the power of recommendation and referral – with such a challenging product this has proven already to be one of the best marketing channels.
- React to negative feedback: there is a need to restore the brand image in Czech Republic. With the current level of globalization it is not wise to hope that the reputation won't spread behind the country borders.
- Do not underestimate the power of social media: a strong social network presence is becoming a must for survival. As Jari Lähdevuori, the CEO of the Helsinki-based Kurio Digital Marketing Think Tank says “It's where people talk about you, like it or not, so joining the discussion is the most direct and credible way of communicating the essence of your brand” (Kudel 2014, 58). A new style of brand-building is becoming the norm, with companies using direct on-line communication to show rather than tell. “Actions are evidence of what your brand stands for, and they speak louder than words”, says Lähdevuori (Kudel 2014, 58)
- Utilize the power of video – this is one of the greatest ways to convey the story. Something short and catchy, which gives you goose-flesh. Current videos in the

DAP Services Youtube channel are long and informative, but monotonous and tiring to watch.

### *Communicating the brand identity internally*

It is essential to make people internally in the company believe in what and how they are doing. There is one story, called 'Parable of the Three Stonecutters', made famous by Peter F. Drucker in his 1954 book 'The Practice of Management', which remains one of the most powerful illustrations of the challenges faced by leaders today (MB Leadership 2015):

A man came across three stonecutters and asked them what they were doing. The first replied, "I am making a living." The second kept on hammering while he said, "I am doing the best job of stonecutting in the entire county." The third looked up with a visionary gleam in his eye and said, "I am building a cathedral." (Harvard Magazine 2008).

This is about creating the environment within which the stonemasons are motivated to reach beyond the task in hand and connect with the broader mission and vision. Here are several suggestions on how to implement it:

- Define and when needed refine mission and vision for the organization in such a way, which is clear for every employee regardless of the level and position.
- Communicate the mission and vision through internal communication channels, discuss in the meetings, and involve all the employees in recurring discussions around it.
- Make sure all the strategic decisions within organization are aligned with the mission and vision, and this is communicated to all the employees
- Implement common roadmap solution for planning, sharing the and tracking the tasks on the high level within the organization – this will help, for example, cathedral decorators to see when the next wall will be ready for them.



## 4.7 Tracking and measuring brand equity

Once the implementation is done, there is a natural step to go check how well it was done. There are different ways of doing it:

- Quantitative surveys: structured questions and scales allow an assessment of how customer perceptions have been affected by the brand positioning effort
- Qualitative research: systematically elicits customer perceptions through focus groups or in-depth interviews
- Tracking not only over time, but over the product classes, solutions and individual brands

Of course, for a small company like DAP Services there is a need to consider the scale and the frequency of the tracking efforts, using a common sense and evaluating the needs for any tracking effort at the particular time for the particular product or solution. It might be enough to have an informal discussion with the partners to get an opinion on the efforts the company does to communicate the brand position.

One important point to mention is also the behaviour of the customer in the web – tracking the number of visits, user journeys, registrations. Also, it's useful to track the correlations between the user behaviours in the web and the events that are happening around DAP Services. There is one example that CEO was giving: once there was a presentation done about one particular product (SoftSkillers) in one of the conferences it was evident that the visits to <http://softskillers.com> pages increased. Moreover, after they visit SoftSkillers page, they go to DAP Services web, and then to the methodology pages. And that is the correct user journey: particular product → DAP Services → CWAT. If user journey is different, there is a chance the person will be lost or confused with the amount of the information and specifics of the methodology. The proper way is to start with something concrete, and then check the background of the company and methodology.

## **4.8 Finding balance between standardization and customization**

This section includes two different cases demonstrating some aspects of successful and not so successful brand building: entering a new market (Russia and CIS) and introducing a new product (SoftSkillers). Russia and CIS is an important strategic market for DAP Services to develop; and SoftSkillers is a new product with a solid concept, developed in cooperation with partners and targeting an international awareness.

### **4.8.1 Case: entering Russian and CIS markets**

In the year 2011 there were opportunities identified of entering Russian market. A slow trial and error approach was taken first, trying to contact psychologists, schools, HR agencies, visiting conferences. The development in that direction was slow and wasn't bringing results. Another wave has started in the autumn 2013 when a big pilot of BrightLightOn product has started in Kokshetau (Kazakhstan). It was continuing for over a year, having two phases and included six schools and over a thousand of students, and ended up being a nice experience with a good data collected, but it haven't brought any single euro to DAP Services. There were several promising beginnings in Moscow, St. Petersburg, Sakhalin, ending up in the partnership and well-established relationships, however, only in Sakhalin there was a business established providing Sport solution services to one of the hockey teams.

There were investments done to the localization of the number of products, which were considered the most promising, there was a Russian language added to DAP Services official web site, target groups identified, communication activities started, but the effort of several years haven't brought desirable results. What went wrong? What didn't work? Now the retrospective, the brand analysis and the knowledge of branding obtained in the course of thesis preparation makes it possible to frame some useful conclusions.

Obviously, DAP Services wasn't prepared properly to enter Russian market, and as I understand now, even the original topic for this thesis wasn't formulated appropriately due to the lack of knowledge in the branding – the topic was concerning building the

brand for Russian market, whereas there wasn't a brand defined at all, and naturally the topic of the thesis was shifted towards brand identity definition.

Before embarking on new territory it's important to understand the specifics of the country culture, customs, needs, and unspoken rules that ultimately help better tailor the concept for that market. It is essential to clearly identify the motivations behind the decision to explore entering particular international market, examine what your domestic branding and marketing strategy has been, and plan on how the domestic plan employed by the company on a local level needs to be tailored to be positively received in the international territory (Maillian Bias 2011).

Below are the aspects that could have helped avoiding mistakes in entering Russian and CIS markets:

- *Educate yourself on the country culture.* A nation's culture refers to all the beliefs, attitudes, aspirations, values, and myths held by most people in a society, as well as the characteristic behaviours, rules, customs, and norms that most people follow (Kumar & Steenkamp 2013, 440).
  - It is important to know that you are going to be tested for many things like patience (making you wait, lengthy business negotiations), level of preparedness and competence.
  - Russian people do not like to admit their mistakes, especially publicly.
  - It is accepted and expected to bargain.
  - Personal relationships matter a lot – it's better to meet once than to make tens of phone call or exchange emails.
  - Your ability to handle lots of food and alcohol will be tested as well – do not turn down an offer to have any of those. Be prepared to say a toast.
  - Russia people are proud of their history and art – knowledge about that will help build the relationships
  - Learn some Russian – Russian people appreciate when foreigners make an effort to speak their language, at least the basic greetings

- Business cards should be double sided with Russian version on one of them
- *Know country laws.* This became an obstacle and the reason for the delay in Kazakhstan educational pilot, since by law all the international projects arranged in the educational sphere should be approved by the Ministry of Education. Considering the level of bureaucracy the time to get the approval stretched to several months.
- *Clearly define the reasons and objectives of entering new market.* It is important to make clear for everyone why there is an investment and commitment being done to start operations in particular new country. Plus to that, what are the targets for the certain period of time, e.g. for the next year.
- *Find out the specifics of working with BRICS.* The fast growing economy can be both an opportunity and a challenge.
- *Educate yourself on the current economic situation in the country.* One of the reasons of failure in Russian market was the economic crisis, depreciation of rouble, and fear of Russian companies start any business with Euro zone.
- *Find a mediator with Russian language knowledge.* There is still quite low percentage of business people in Russia who is able to speak English good enough to handle business negotiations. There is a need for a mediator with language and business skill who will support business with Russia at least in the beginning.
- *Test the waters in the new market.* A new approach might be needed to make the product or services suitable to the needs and expectations of the market and its culture.
- *Find out what your competitors have done in the same market.* Has anyone from the competitors tried to enter Russian market? What approach did they take and which obstacles did they face? What you do differently?
- *Define the product and services scope.* This is an important decision since in most of the cases there will be a need to localize the products/services for country needs, which would require additional resources (time, people, money).
- *Define market entry strategy.* Price the product, position it accordingly, define how you want it to be perceived by the customer, define communication strategy (identify target audience and the way to reach them).

- *Construct detailed action plan.* Includes details on the marketing plans and campaigns, major milestones, sales targets, assigned ownerships and defined processes for all the activities.
- *Invest in brand building activities.* One of the potential partners in Moscow said during the negotiations: “DAP Services might be a brand in Czech, UK or anywhere else, but not in Russia. In order to sell here you need to build a new brand.”
- *Leverage connections, power of references, contacts.* It’s a common practice in Russia and it’s the most efficient way to establish connections and good relationships – to get recommended by someone.

In spite of the fact that business with Russia and CIS haven’t turned the way it was intended, there is a good feedback than DAP Services is getting from the partners in Russia:

“DAP Services is a symbiosis of science and practice, where methodology is evolved to particular applications and quality products – reliable, and with readable results. Our business relationships with DAP Services are very fresh, but I see that in 3-5 years we should together grow into an organic cooperation with real mutual commercial benefits. We have a technological basis and methodology from one side, and experience and understanding of the local market on another side, so we have a good potential for success and development of joint products or even whole solutions.”

#### **4.8.2 Case: introducing SoftSkillers product**

Soft skills are starting to get more and more attention in the business world, and soft skills training are of a higher demand now. Soft skills are personal attributes that describe individual’s ability to interact with others. Soft skills are also known as people skills and include communication skills, use of language, personal habits, friendliness, ability to manage people, leadership, so basically everything that characterize relationships with other people (Soft skills, 2015).

One of the hottest HR trends is preparing corporate leaders, which is a big challenge since there is quite a list of soft skills required for a good leader. To teach or learn soft

skills, and especially to measure them is a very challenging task comparing to the hard skills, which generally are easily quantifiable and measurable. This was one of the main motivations for the development of the SoftSkillers product in cooperation with Czech consulting and educational company RPIC-VIP (<http://www.rpic-vip.cz>), whose strongest point is soft skills and their development. The biggest challenge though was to measure those soft skills in order to evaluate what kind of development is needed. How would one measure if someone is communicative or cooperative enough? Questionnaires are useless in such case. The cooperation with DAP Services and application of their diagnostics based on CWAT allowed to handle that challenge and measure the soft skills in a “hard” way, i.e. assigning a hard number to soft skill assessment.

SoftSkillers is a unique and universally applicable concept of development of 15 soft skills. Its uniqueness lies in both the methodology of measuring the soft skills (based on CWAT) and quality of the training program for their development.

SoftSkillers:

- measures and develops soft competencies;
- determines the level of soft competencies using the unique CWAT, which is the result of 30-year development and it is patented under US law;
- develops the soft skills using a tutorial that has been continuously improved within the last 10 years and has got several awards;
- allows customization of development activities exactly according to need of the participants;
- provides specially trained instructors and consultants for soft skills development;
- assesses the efficiency of the development activities for each participant through final diagnosis based on CWAT.

Such concept brings many benefits to both customer and provider: customer sees the results, and provider has a motivation to do a good job since that directly affects the results, which are clearly visible to the customer after the final evaluation.

SoftSkillers is a new product in the market, however already now it has a good feedback from the clients from different countries and promises to be successful. Besides measuring the soft skills, the biggest strength is that it is possible to estimate for the client how much money SoftSkillers can save. This is a very strong selling point. So there is a strong case in place showing how much this product can bring to the customer in terms of additional revenue and employee development.

Target customers – all the companies that potentially might require human capital development:

- International consultancy companies
- International B2B businesses
- In Czech Republic: B2C consumers where organizations are the end customers who use the product to train their employees
- Schools and universities in Czech Republic and abroad
- Social organizations

Competitors:

- In terms of the concept – there is nearly no competitors.
- In terms of soft skills training – there is a lot of companies in Czech Republic that do the trainings. That was the reason to make the unique concept and bring in the unique methodology for the soft skills assessment.

The vision for SoftSkillers is to be associated with the top quality solution of soft skills development – something that is working perfectly, delivering an added value and is measurable. Customers should know exactly what they get – top quality, award winning trainings, unique assessment tools and clear concept.

There are some marketing and branding activities ongoing, but it's not driven or based on any joint marketing plan. There was a pricing policy defined, marketing material prepared, however there isn't much done what comes to the advertising and promotions. DAP Services is focused on the international trade, is responsible for social me-

dia presence and dealing with the systems and business partners. RPIC-VIP focuses on Czech market and educational part of the product.

As one can see, and as the experience shows, SoftSkillers is an example of a successful product launch in the international market. All the major aspects were taken into account: product development according to the market needs, making it unique, defining unique selling points, exploring target customers and competitors, involving brand building activities, defining clear positioning, pricing, ensuring visibility in the web and social networks, international orientation (available in both English and Czech from the beginning). Of course, there is a room for development, and it would be beneficial to have more coordinated marketing activities, more visibility in relevant events (conferences, forums), more active presence with success stories in the social networks.



## **5 Conclusions and further development**

This chapter summarises thesis report by referring to the objectives of the research and research questions, discusses the process of building the theoretical framework and consequently the brand building process for DAP Services. The applicability of the developed brand building process for SMEs in general is discussed, and the recommendations on the further development of the brand building for the company are given. Eventually, the chapter and the entire Master's thesis report ends with the self-evaluation of the author and acknowledgements.

### **5.1 Global brand building for DAP Services**

The main objective of this thesis was to suggest a plan on building a global brand for DAP Services in such a way that it would be practical, relevant and would provide clear guidelines on how company that belongs to the category of SME can build and maintain a strong global brand. The research question sounded this way: "How to build a strong global brand for DAP Services?"

The literature review of the thesis has discussed the question of how to build a strong global brand for an SME. There was an answer given on what the brand is and what it consists of, and consequently a number of theories on brand building was discussed. The review has shown that research on brand building and brand management has mainly been focused on large organizations, however, SMEs can leverage the branding strategies of big companies, and by keeping focus and consistency in building their brands achieve significant performance advantages. What comes to going international, or building a global brand, the companies of all sizes have a potential to succeed, even if global branding strategy seems to suite certain types of companies more than others. Whatever the size and the industry of the company are, global branding requires a delicate balance between a consistent product or service and a tailored approach that addresses the many cultures and philosophies of a global market.

As literature review has illustrated, to build a strong global brand SMEs need to be aware of concepts, models and theories of brand building, and their applications and possible “tuning” that might be required according to the specific situation and needs of the company. Important point is also to recognize company’s branding capabilities and limitations.

Based on the insights gained from the literature review, there was theoretical framework constructed for development of a global brand-building plan for an SME. The framework includes the following steps: agreeing on the concept of brand and on the views to brand related aspects; conducting brand analysis that includes customer, competitor and self-analysis; defining global brand identity (adapted from Aaker’s BIPM and including the definition of value proposition and credibility aspects); defining the global brand architecture; implementing global brand identity that comprises of brand position definition and communication execution; tracking and measuring brand equity; and eventually, if required, revisiting all the above listed steps in case of entering a new market or introducing a new product or service.

Before applying the theoretical framework in practice, there was a research methodology defined, which helped to choose the research strategy and guided me through the process of thesis development. For the purposes of identifying the research methodology there was a research “onion” used developed by Sanders, Lewis and Thornhill (2009, 139). In this study the research philosophy is interpretivism, the research approach is inductive, the research is an exploratory study focused on the exploring the aspects of DAP Services operations that contribute to the value of the brand, the strategy is a single case study with holistic approach, the research choice is a multi-method qualitative study. There are both secondary and primary data collected in this study. Secondary data was collected from internal company documentation, plans, report, and data from the web resources. Primary data was collected through participant observation, semi-structured in-depth interviews, group interviews and interviewer-administered questionnaires. To analyze qualitative data in this research data display and analysis was used, which included data reduction, data display, and drawing and verifying conclusions. As a complementary means of analyzing collected data the ana-

lytic induction and narrative analysis were utilized for processing the data collected through observations.

Developed theoretical framework and defined research methodology were used to analyse the brand image and brand building activities of DAP Services. Brand analysis included customer, competitor and self-analysis of the DAP Services brand, and has shown that company is seen differently by different categories of the respondents (employees, customers and business partners), that there is a complex approach of defining current customer base and competitors due to not fully followed strategy that was accepted recently, and that current brand image is much poorer than it could have been with a bit stronger effort. The step of brand identity definition is the core step in the whole process. It defined DAP Services brand from 4 different perspectives, defined value proposition and discussed the aspect of credibility. Table 2 summarized brand identity for DAP Services, listing its core and extended identity aspects. The implementation step made suggestions on brand positioning and communication execution, which target to improve brand image and diminish the gap towards the desired brand identity. The suggestions on tracking the brand equity were listed as well, and then two examples provided – on the attempt of entering Russian and CIS market, as well as introducing the new SoftSkillers product to the international market.

The level of branding and marketing activities in DAP Services is minimal now, and there is a need to start from scratch: define a mission and vision of the company (there was a suggestion done on that), align those with the strategy, discuss about the shared values, and overall, go through the brand building process suggested and create an action plan on how to proceed further. This thesis provides a framework for the overall process of global brand building, defines the brand identity and gives suggestions on how to improve brand image and continuously develop a strong global brand for DAP Services.

Before going into discussion on further research, it is important to consider whether developed framework can be used for all SMEs in general. As was discussed earlier, the group of SMEs is very heterogeneous, with the amount of employees varying from 1

to 250. This means different organizational structures, very diverse industries and markets of operation, very wide range of products and services, and different types of consumers. For every SME brand management is subjective, depends on the organizational structure and nature of business, and one branding strategy would hardly suit all. On the other hand, the framework developed in this research is high level enough, and even if cannot be used directly, can be adopted to the specific SME needs.

## **5.2 Further research**

During the course of thesis development there were several directions for further research and development identified.

- There is a need to evaluate the brand-building plan, brand identity, and given suggestions, make appropriate adjustments if required and create an action plan on building a strong global brand for the company.
- There are no clearly stated organizational values for DAP Services, which are an important part logically attached to the company mission and vision. It is strongly advised to discuss and define the values shared by employees in the organization.
- The research has a very broad topic, and it would be beneficial to investigate separately different aspects of brand building for SME (select the most relevant ones) and define each of them in more details for DAP Services. For example, DAP solutions are being developed currently, and there will be a need to define brand architecture in more details, and most probably marketing and branding activities for separate solutions.
- As the strategy for DAP Services is to commit to B2B relationships only, and try to avoid B2C, there is a need to do an additional research on how the theoretical framework might be different in case of SME involved in B2B relations only.
- There is a need to make a separate research on the Internet resources related to DAP Services as a company, separate products web sites, methodology site, partner sites and develop a sites architecture that would support the most optimal user journeys.

- There might be useful to arrange brand equity tracking activities, e.g. by organizing semi-structured discussions with partners and customers.

### **5.3 Author self-evaluation**

The process of writing this Master's thesis was one long and interesting journey for me. It has begun in the year 2009, when I've started the IBMA program and had to start thinking of the topic for the thesis, and continued all through the spring of 2015. There were many changes in topic, case companies, which were caused by changes in my life, but I never gave up on the fact that I want to make it done.

It was quite an easy task to find a general theory about branding. There isn't that much about global branding, though, mainly the success stories of huge international corporations, and there isn't almost anything regarding the branding of small companies. Most of the articles and publications on branding of SMEs give branding guidelines or instructions for small companies operating in particular industry or area of business. This fact complicated the task for me since there was a need to do wider research and investigate if generally accepted models can be applied for DAP Services case.

I haven't had any brand management courses prior to starting this thesis, however I had many of them, which were closely related to branding, plus to that, my previous work experience in marketing has given me a great support. Along with that, studying branding theories and models, their applications in different industries and sizes of companies has widen my horizons and deepen my understanding of marketing and branding in general. I have to admit I've used a lot of time and energy studying theory and methodology, choosing what I thought was relevant and compiling the theoretical and methodology parts. However, when those were ready, I had a clear picture of what and how I should do. Conducting interviews and typing in the practical part of the thesis was much easier part, although time consuming due to 11 long interviews with very intelligent and quite talkative people who gave me plenty of data to process and analyse. The interviews were so insightful that I realized that there is a need to have an additional research, but intentionally haven't done so – for two reasons: time con-

straints and a good development points for the future, which were already described in the previous sub-section.

I think there is a bit of misbalance in my thesis what comes to the amount of theoretical and methodology aspects versus practical considerations. I've found many theoretical aspects relevant to the topic and consciously kept them in the thesis. This helped me in the process whenever I needed a backup for the practical points. Methodology part was my foundation; I simply had to make it in a way that it is systematic, expedient and relevant for my research. Practical part is shorter, however it contains all the essential information, finalizes logically the research, gives the final answers to the research question, and keeps plenty of room for further development, which I believe is a good incentive for the case company on continuing their activities on building a stronger brand.

The process of writing the thesis itself took more time than was planned, and there were many reasons for that – work, other studies, addition to the family, move to another country, but on the other hand, I had time to find all the proper data, immerse myself in the environment that I was researching, absorb and comprehend the information, and finally develop something that I'm not ashamed of showing to the world. Personally, I am satisfied with the outcome of the research and my work in general. I had two main personal targets: to develop myself and to help the case company to find their ways for improvement. According to my opinion and honest feeling, I've reached both.

#### **5.4 Acknowledgements**

In the end of the year 2013 I've got an offer to join the team of DAP Services professionals to help them develop their business in Russia and CIS. I immediately knew that was my opportunity to finally do a good case for my thesis. The topic was changed, again, but it was for good this time. It was a wonderful journey, and I would like to express my deep and sincere gratitude to:

- Jiří Šimonek Senior, the founder of the CA methodology, and the greatest mind of DAP Services, who has been inspiring everyone for many years;

- Jiří Šimonek, the CEO of DAP Services, who believed in me and gave me a chance to create this piece of work;
- David Pešek, Business Development manager, who has worked with me shoulder to shoulder on daily basis, guided and inspired me, supported in all the activities and helped me to become a better person;
- Monika Vokřínková, Marketing manager, who has always been infusing me with energy, good mood and relevant information;
- Daniel Holešínský, CTO and technical guru, whose insight helped in many difficult issues resolution;
- Robert Bohoněk, CSO, who has shared his knowledge and expertise in the methodology whenever needed;
- Žaneta Sochorková & Lenka Trnková, who supported me in every single issue I had during the time spent in DAP Services;
- and the whole DAP Services personnel who have been a great support for me at all times.

Special thank you goes to the representatives of DAP Services partners and clients, who invested their time in helping me to gain the external view to the company branding: David Kahánek (Tieto, Czech Republic), David Elliot & Hugh Wiseman (Redburn Solution, Ireland), Filip Brodan (Engage Hill, Czech Republic), Jiří Balcar (RPIC-VIP, Czech Republic), Lubov Drobysheva (BBS-IT, Kazakhstan), Nikolay Ozherelyev (PraxisCom, Russia).

## **Bibliography**

Aaker, D. A. 1991. *Managing brand equity. Capitalizing on the Value of a Brand Name*. The Free Press. New York.

Aaker, D. A. 1996. *Building strong brands*. Simon & Schuster Inc. New York.

Aaker, D. A. 2010. *Building strong brands*. The paperback edition. Simon & Schuster. London, England.

Aaker, D. A. & Joachimsthaler, E. 1999 *The Lure of Global Branding*. Harvard Business Review. Harvard Business School Publishing. URL: <http://www.bus.iastate.edu/kpalan/mkt504/aakerjoachimsthaler.pdf>. Accessed: 21 September 2014.

Aaker, D. A. & Joachimsthaler, E. 2000. *Brand Leadership*. The Free Press. New York.

Ahonen, M. 2008. *Branding – does it even exist among SMEs?* Proceedings of the 16<sup>th</sup> Nordic Conference on Small Business Research, May 21-23 2008, Tallin, Estonia. URL: <http://www.oulu.fi/cobra/papers/Artikkelit%20konferensseissa/Branding%20-%20does%20it%20even%20exist%20among%20SMEs.pdf>. Accessed: 17 September 2014.

Annual Report on European SMEs 2012/2013. *A recovery on the horizon?* European Commission. URL: [http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm). Accessed: 17 September 2014.

Bridge, S., O'Neill, K. & Martin, F. 2009. *Understanding Enterprise. Entrepreneurship and Small Business*. Third edition. Palgrave Macmillan. UK.



CA method – what is it, who is behind? Extended version. A video interview with Jiri Simonek Senior, the founder of the CWAT. URL:

<https://www.youtube.com/watch?v=guY0WHsphM4>. Accessed 26 March 2015.

CCL (Center for Creative Leadership). 2015. 360 assessment. URL:

<http://www.ccl.org/leadership/assessments/assessment360.aspx>. Accessed: 21 February 2015.

Chabowski, B. R., Samiee, S.; Hult, G. T. M. 2013. A bibliometric analysis of the global branding literature and a research agenda. *Journal of International Business Studies*. (2013) 44. 622 - 634.

DAP Services Official Company Site. URL: [www.dap-services.com](http://www.dap-services.com). Accessed: 22 September 2014.

De Chernatony, L. 2006. From brand vision to brand evaluation. The strategic process of growing and strengthening brands. Second Edition. Elsevier Butterworth-Heinemann. Oxford.

DISC personality testing. 2015. URL: <http://discpersonalitytesting.com>. Accessed: 21 February 2015.

Easterby-Smith, M., Thorpe, R. & Lowe, A. 2002. *Management Research: An Introduction*. Second Edition. SAGE. London.

European Commission. 2014. What is an SME? URL:

[http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm). Accessed 17 September 2014.

Gad, T. 2001. 4-D Branding. *Cracking the Corporate Code of the Network Economy*. Financial Times. Prentice Hall. London.

Greener, S. 2008. Business Research Methods. Dr. Sue Greener & Ventus Publishing ApS.

Hampf, A. & Lindberg-Repo, K. 2011. Branding: The Past, Present, and Future: A Study of the Evolution and Future of Branding. Hanken School of Economics Working Papers. URL: [https://helda.helsinki.fi/bitstream/handle/10138/26578/556\\_978-952-232-134-3.pdf](https://helda.helsinki.fi/bitstream/handle/10138/26578/556_978-952-232-134-3.pdf). Accessed: 3 Jun 2013.

Harvard Magazine 2008. Three Stonecutters: On the Future of Business Education. URL: <http://harvardmagazine.com/breaking-news/three-stonecutters-the-future-business-education>. Accessed 21 February 2015.

Kapferer, J.-N. 2008. The new strategic brand management. Creating and sustaining brand equity long term. Fourth edition. Kogan Page. London.

Keller, K. L. 2001. Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands. Marketing Science Institute. URL: <http://mktg.univishtov.bg/ivm/resources/CustomerBasedbrandEquityModel.pdf>. Accessed: 14 September 2014.

Keller, K. L. 2013. Strategic Brand Management. Building, Measuring, and Managing Brand Equity. Fourth (global) edition. Harlow. Pearson Education Limited.

Kleinschmit, M. 2013. 3 trends shaping the future market research. Vision Critical. November 22 2013. URL: <https://www.visioncritical.com/3-trends-of-future-market-research/>. Accessed: 21 February 2015.

Kotler, P. & Armstrong, G. 2014. Principles of Marketing. 15<sup>th</sup> edition. Pearson Education Limited. Harlow.

Kotler, P. & Keller, K.L. 2012. Marketing Management. 14<sup>th</sup> edition. Pearson Education, Inc. New Jersey.

Krake, F. B. G. J. M. 2005. Successful brand management in SMEs: a new theory and practical hints. *Journal of Product & Brand Management*. Vol.14 No.4. 228-238.

Kudel, S. 2014. Social Media Takes to the Skies. *Finnair Blue Wings Magazine*. January 2014, pp. 58-61.

Kumar, N. & Steenkamp, E.M. J.-B. 2013. *Brand Breakout. How emerging market brands will go global*. Palgrave Macmillan. London.

Kuvykaite, R., Mascinskiene, J. 2010. Transformation of a National Brand into an International Brand. *Engineering Economics*, 2010, 21(4), 446-455. Kaunas University of Technology. Lithuania. URL:  
<http://www.ktu.lt/lt/mokslas/zurnalai/inzeko/69/1392-2758-2010-21-4-446.pdf>.  
Accessed: 16 September 2014.

Lal, R., Quelch, J. A. & Rangan, V. K. 2005. *Marketing Management: Text and Cases*. McGraw-Hill/Irwin. New York.

Leuthesser, L., Kohli, C. & Suri R. 2003. 2+2=5? A framework for using co-branding to leverage a brand. *Brand Management* Vol. II, No. I, 35-47. September 2003. URL:  
[http://www.brandframe.no/files/Fagartiler51\\_100/2cobranding.pdf](http://www.brandframe.no/files/Fagartiler51_100/2cobranding.pdf). Accessed 15 September 2014.

Lüscher Colour Diagnostic. 2015. URL: <http://www.luscher-color.com>. Accessed 21 February 2015.

Maillian Bias L. 2011 A 5 Step Primer for Entering an International Market. 22 September 2011. *Forbes*. URL: <http://www.forbes.com/sites/yec/2011/09/22/a-5-step-primer-for-entering-an-international-market/>. Accessed: 18 April 2015.

- Martins A.T. 2014. 5 Reasons Why You Must Build a Brand image. Top Small Business ideas for Beginners. URL: <http://www.mytopbusinessideas.com/why-build-a-brand-image/>. Accessed: 22 September 2014.
- Maurya, U. K. & Mishra, P. 2012. What is a brand? A Perspective on Brand Meaning. European Journal of Business and Management. Vol 4, No.3. 122 – 133.
- MB Leadership 2015. Engaging an empowered team. URL: <http://www.mbleadership.co.uk/insights/engaging-an-empowered-team.php>. Accessed: 21 February 2015.
- MBTI (Myers–Briggs Type Indicator) 2015. Wikipedia. The Free Encyclopedia. URL: [http://en.wikipedia.org/wiki/Myers–Briggs\\_Type\\_Indicator](http://en.wikipedia.org/wiki/Myers–Briggs_Type_Indicator). Accessed: 21 February 2015.
- MindTools 2014. Keller’s Brand Equity Model. Building a Powerful Brand. URL: <http://www.mindtools.com/pages/article/keller-brand-equity-model.htm>. Accessed: 14 September 2014.
- Morello, R. 2014. Ten Commandments of Global Branding. Small Business by Demand Media. URL: <http://smallbusiness.chron.com/ten-commandments-global-branding-48157.html>. Accessed: 29 September 2014.
- MSG. Management Study Guide, 2013. Brand Identity vs. Brand Image. URL: <http://www.managementstudyguide.com/identity-vs-image.htm>. Accessed: 30 August 2014.
- Ostrava. Wikipedia. The Free Encyclopedia. URL: <http://en.wikipedia.org/wiki/Ostrava>. Accessed: 31 October 2013.
- Patten, D. 2008. How to Market Your Business. A practical guide to advertising, PR, selling, and direct and online marketing. 6<sup>th</sup> edition. Kogan Page. London.

Rogel, C. 2015. 12 Attributes to Evaluate Your Organization Culture. DecisionWise. URL: <https://www.decision-wise.com/12-attributes-to-evaluate-your-organization-culture/>. Accessed: 16 April 2015.

Saunders, M., Lewis, P. & Thornhill A. 2009. Research Methods for Business Students. Fifth edition. Pearson Education Limited. Harlow, England and Associated Companies throughout the world.

Sénéchal, S., Georges, L. & Pernin, J. L. 2013. Profit and non-profit brand alliances: the pertinence of fair co-branding. Innovative Marketing, Vol. 9, Issue 2. 2013. URL: [http://businessperspectives.org/journals\\_free/im/2013/im\\_en\\_2013\\_02\\_Pernin.pdf](http://businessperspectives.org/journals_free/im/2013/im_en_2013_02_Pernin.pdf). Accessed 15 September 2014.

SHRM 2012. Society for Human Resource Management. Challenges Facing HR Over the Next 10 Years. November 1, 2013. URL: <http://www.shrm.org/research/surveyfindings/articles/pages/challengesfacinghroverthenext10years.aspx>. Accessed: 21 February 2015.

Soft skills 2015. Wikipedia. The Free Encyclopedia. URL: [http://en.wikipedia.org/wiki/Soft\\_skills](http://en.wikipedia.org/wiki/Soft_skills). Accessed: 18 April 2015.

Stec, C. 2013. Co-Marketing Vs. Co-Branding: What's the Difference? November 27 2013. IMPACT. Branding & Design. URL: <http://www.impactbnd.com/blog/co-marketing-vs-co-branding-whats-the-difference>. Accessed 15 September 2014.

Strategy 2020 for DAP Services a.s. Internal documentation. Jiří Šimonek. July 2014.

Wong, H.Y., Merrilees, B. 2005. A brand orientation topology for SMEs: a case research approach. Journal of Product and Brand Management. Vol. 14, No. 3. 2005. 155-162. URL:

<http://www.emarketing.net.cn/upload/file/2009/02/11/201234356644245.pdf>. Accessed 17 September 2014.

Yin, R.K. 2009. *Case Study Research: Design and Methods*. Fourth Edition. SAGE Publications, Inc. Thousand Oaks.

## **Appendices**

Appendix 1. Acronyms and terminology used in the thesis

BRICS – Brazil, Russia, India, China and South Africa (the list of the most important developing countries)

CIS – Commonwealth of Independent States

CWAT – Colour-Word Association Technique

DAP Services a.s. – the company for which the thesis is done. DAP in Czech language stands for Diagnostika, Analýza, Poradenství, which when translated to English, means Diagnostics, Analysis and Consulting.

IMC – Integrated Marketing Communications

Appendix 2. The evolution of branding concepts

Period	Concept/Research area	Pioneer/Author and Year
< 1970s	Establishment of the importance of branding	Marquardt et al.: 1965
	Segmentation	Smith: 1956 Yankelovich: 1964 Mainer & Slater: 1964 Sheth: 1967
	Loyalty	Cunningham: 1956
	Lifestyle	Lazer: 1963
	Marketing mix	Neil H. Borden: 1950th
	Personality	Martineau: 1958
	Positioning	Ries & Trout: early 1970s
1970s and 1980s	Social marketing	Kotler & Zaltman: 1971
	Relationship marketing	Grönroos: 1989, 1994 Gummesson: 1993
	Brand equity	Farquhar: 1990 Aaker: 1991 Keller: 1993 Simon & Sullivan: 1993 Srivastava: 1998, among others
	Relational branding	Fournier: 1998 Brodie et al.: 2002 Gummesson: 2002 Grönroos: 2000
	Identity	Kapferer: early 1990s De Chernatony: 1999
1990s and 21st century	COO	Peterson & Jolibert: 1995 Agrawal & Kamakura: 1999 Thakor & Lavack: 2003
	Brand communities and Subcultures of consumption	Muniz & O'Guinn: 2001 McAlexander et al.: 2002
	CSR	Willmott: 2003 Dobson: 2003 Blumenthal & Bergstrom: 2003



Appendix 3. Figure 2

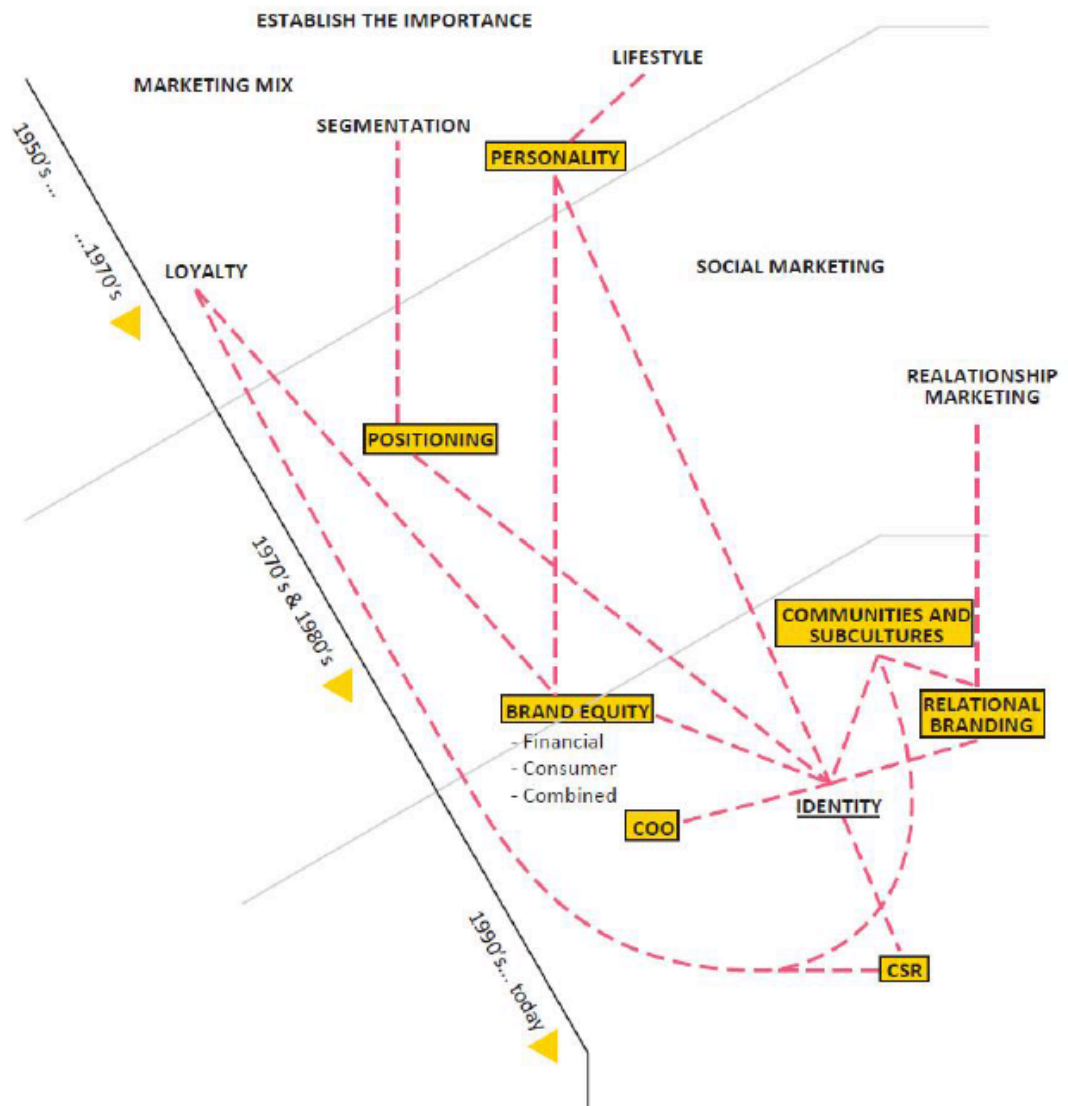


Figure 2. The evolution of branding theory (Hampf & Lindberg-Repo 2011, 14)

Appendix 4. Figure 3

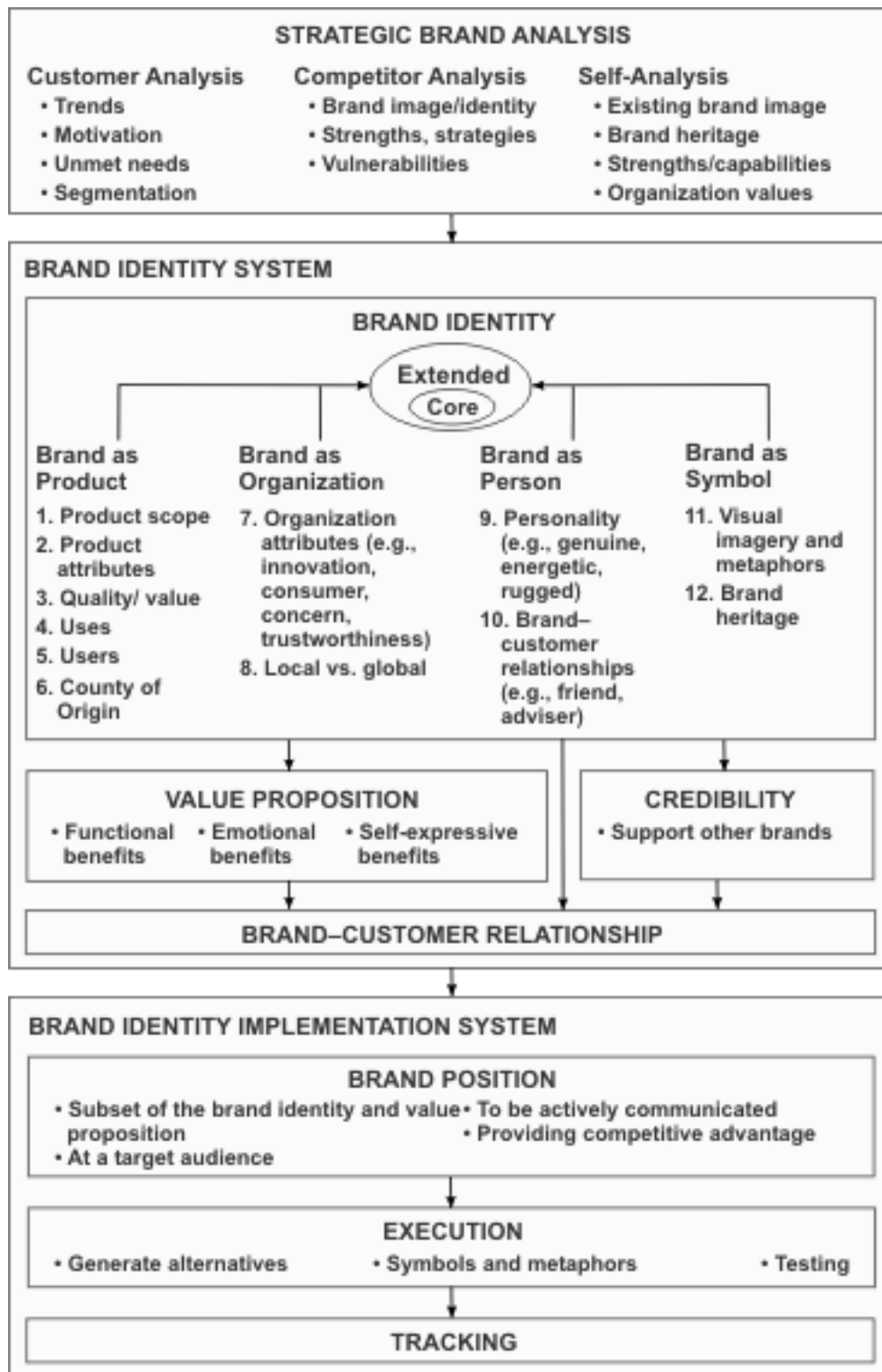


Figure 3. Brand Identity Planning Model by Aaker

Appendix 5. List of topics for the in-depth interviews and focus groups with company employees

1. Understanding of brands and branding
2. Company profile, the problem that the company solve
3. Mission and vision of the company
4. Products, services, solutions, their strengths and weaknesses
5. Brands within the company, brand architecture
6. Target customers: current ones and those company wants to have
7. Competitors, their strengths and weaknesses
8. Competitors' brand position
9. Associations and feelings that company wants consumers to have when thinking of company and its products (brand identity)
10. Company's value proposition (functional and emotional benefits) and its relevance to the customers
11. Credibility, important point for brand partnership
12. Brand personality
13. Marketing activities, communication and brand building programs
14. Customer feedback

Appendix 6. Questionnaire for the structured interview with company business partners





1. What is your name, title and company?
2. How did you come to know DAP Services?
3. Which category of companies would you assign DAP Services into? Consulting, R&D, IT, anything else?
4. What to your opinion is an overall purpose of DAP Services as a company?  
(Exploring mission)
5. What do you think is DAP Services potential for development in the next 3-5 years? (Exploring vision)
6. What is so (or, is there anything) unique about DAP Services products and services? What are their strengths and weaknesses?
7. What do you think in general about DAP Services as a brand?
8. Can you evaluate the credibility of DAP Services as a company and a brand?
9. What was the decision point for you to start the business partnership with DAP Services? How long are you business partners with DAP Services?
10. What is the nature of your business with DAP Services?
11. Were there any new brands established as a result of the business partnership?  
Do you consider them to be successful and why?
12. Who are the target customers for the area of business you have with DAP Services?
13. Who are the competitors for the area of business you have with DAP Services?
14. What is the added value that DAP Services brings to the partnership, and specifically to your joint products and/or solutions?
15. What kind of associations and feelings you expect consumers to have when thinking of your joint products and/or solutions? (brand identity)
16. What is the value proposition (functional and emotional benefits) and its relevance to the customers your joint products and/or solutions?
17. How would you describe the personality of the brand(s) developed jointly with DAP Services?

18. What are the marketing activities, communication and brand building programs you are doing together with DAP Services?
19. Is there any customer feedback you can share?

Appendix 7. Questionnaire for the structured interview with the company customers

1. What is your name, title and company?
2. How long do you know DAP Services and use its products/services?
3. How did you find out about DAP Services?
4. What to your opinion is an overall purpose of DAP Services as a company?  
(Exploring mission)
5. What is so (or, is there anything) unique about DAP Services products and services? What are their strengths and weaknesses?
6. What do you think in general about DAP Services as a brand?
7. What was the main reason you've started using DAP Services products/services?
8. Who do you think are the main competitors for DAP Services? Were there any of them you considered to use?
9. What are the main benefits of DAP Services products/services?
10. What kind of associations and feelings you have when thinking of DAP Services products/services? (brand identity)
11. Could you describe your experience with DAP Services products/services?

Appendix 8. Visual imagery ideas for DAP Services solutions

<p>Education</p>		
<p>Human Resources</p>		
<p>Sport</p>	