

Branding elements

A study of the largest Latvian companies

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Abstract <p>The thesis studied branding elements and management in the largest Latvian companies. The objective of the research is to provide overview information of branding elements, which are used among the largest Latvian companies.</p> <p>The theoretical framework consists of information about the most common and significant branding elements, their management and impact including what the successful use of branding elements can bring to the company. All that was viewed from three scopes – theory, examples, and current trends. In addition, the history and current situation of branding in Latvia was explained.</p> <p>A quantitative approach was used. The data was collected from the 133 largest Latvian companies by their turnover. The companies were selected by Deliberate Sampling. The information was collected through a survey, which consisted of both open-ended and multiple choice questions.</p> <p>The results of the study show that, for most of the companies, especially for the industrial ones, branding is about marketing the product features – either quality or price instead of creating a personal relationship with customers. Nevertheless, there are differences between the industries in their use of branding elements.</p> <p>Future research could look in the customers' perception of the brands analyzed and in what elements they want to notice in brands around them.</p>		
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1 INTRODUCTION

Branding is a new term with a rising importance in business activities. The elements of branding are surrounding as every day. They can help for the company to reach its strategically goals - it can attract new customers, improve loyalty of existing ones, attract the best workfare, improve margins and bring other benefits described later on in the research. Latvia is an export oriented country with a growing economy. Latvian brands have a potential to be a strong competitors in the worlds market. Nevertheless, there has not been any wide research about branding in Latvia.

The research will look at the branding elements, their management and benefits with a focus on Latvian companies` and their branding practices. Research shows theoretical bases of branding, its elements, different management approaches of branding elements and the way how they can improve company`s` business activities. Thesis analyses the importance of the branding elements among the largest Latvian companies and what are branding elements` practices for them. Additionally, the research shows the differences between industries in terms of branding elements as a part of strategic business activities.

1.1 Red Jackets project

The Biggest export consulting company in the Baltic states called "Gateway Baltic" launched project called "Red Jackets" at 2013. The purpose of the project is to define the essence of the Latvian brands, which could be successful in the export markets. Another goal for the project is to rise the importance of branding among Latvian companies. During the project the company "Gateway Baltic" interviewed 133 representatives of the biggest Latvian export brands. In order to see the data from a different perspective, the author was given an opportunity to personally analyze part of that data.

The method used for collecting the data consisted of three stages, the first of which was a background data check of the Latvian companies, such as turnover, share of

exporting brands, investments in branding. After that surveys were sent to the companies' representatives. "Gateway Baltic" let the author choose the topic for the thesis and did not influence the analysis process. Nevertheless they were interested to see the outcome. Survey was conducted by "Gateway Baltic" but only part of it was used in this research. Since a positive outcome of the project "Red Jackets" would give a good publicity as well as suggestions for the companies, they were willing to give their honest answers.

1.2 Structure of the thesis

Research is structured into two main parts. The first one is the theoretical background and the second is the empirical part. Theoretical framework is gathered in Chapter 2, where can be found all the necessary theories' in order to execute empirical issues related to the branding importance, nature and a long lasting possibilities of Largest Latvian companies. These theories are about branding and elements of it as well as the role it plays in nowadays economic environment. In chapter 4 are represented the implementation of the research, including the surveys design and data sorting and analyzing process. The empirical part can be found in Chapter 5, the results of survey are explained there. In Chapter 6 the main findings are summarized and discussed as well as suggestions are proposed.

2 RESEARCH OBJECTIVE AND METHODS

2.1 Research objective and question

Importance of a branding in the modern economy is rising. In order to be competitive, companies has to be able to create and manage their brand successfully in a local as well as in the international market. Nevertheless, brand and its management is challenging to define, therefore, there are experts of the field, which are suggesting looking at branding elements separately in order to understand branding (Stendzinieks, 2005, 24). The objective of the research is to provide overview information of branding elements, which are used among the largest Latvian companies. In order to reach this objective the main research question is defined :

How the largest Latvian companies uses branding elements?

This questions is supported by following sub question :

What are the differences among industries in use of branding elements?

Which branding elements are viewed as the most important by the largest Latvian companies?

2.2 Methods and approach

Author chose to make the descriptive research. The purpose of the research is to define trends and elements which currently exist among biggest Latvian companies, but not influencing or controlling them. According to Kothari (2004, 5), descriptive research deals with facts, numbers and surveys for analyzing things, which already exist. This research is analyzing branding elements which already exist among largest Latvian brands and their management which is currently used.

In order to execute research there is used a quantitative approach. A quantitative approach is one of the main approaches in researches (Kothari 2004, 5). This approach helped to collect large amount of data from 133 companies with in a short period of time

The companies which participated in the research were selected by the Deliberate sampling. This kind of sampling is used, when researcher utilizes determined and focused way of choosing sample, without random approach (Kothari 2004, 15). This method was chosen in order to select sample of companies, which are the best representatives of whole Latvian companies. Criteria for selection were following: amount of turnover and amount of export. The primary data was collected through the survey. It consisted of multiple choice and open-ended questions. The survey was conducted and delivered in Latvian language, because all the respondents represent Latvian companies. It was developed and distributed by the company called "Gateway Baltic", not all of the questions, which they developed are used in this research. Author of the thesis utilized only those, which led to the research questions and did not fall under question of validity.

In the research there are used instruments, which converts information that originally does not upper in a numerical form, in order to be transformed in a quantitative form and being used in a numerical analysis. For instance, categorization for open ended questions.

3 BRANDING AND ITS ELEMENTS

3.1 Definition and classification of brands

In order to understand branding elements the first we have to understand what does the brand is. There are many meanings and definitions of brands. Some experts and researchers say that it is impossible to define a brand, whereas some say that it is easier to define what a brand does not include, while some are brave enough to write a definition of brands. Following chapter will introduce with different definitions and their historical development.

The historical meaning of the word “brand” is “burn”. This word comes from an Old Norse Germanic root or “mark made by hot iron”(Healy 2008, 6). It means something being burnt in something, for example customers minds. Guy Champniss and Fernando Rodes Vila (2011, 6) argues that since the very beginning of branding, which can be defined as the 19th century, a brand has been a guarantee. It provides a promise for a customer about the products quality, it is a win –win situation for customers and companies. Customers get a guarantee and company gets a tool to win a market share.

On the other hand James Hammonds (2008, 23) argues that a brand is not a promise. According to his definition for a brand, most of what companies can do, is to try, but not promise. If they promise, there is high potential of breaking this promise and damaging the brand. He claims that a brand is the sum of all the sensory experiences every person or organization has had in any aspect of facing the brand. (Hammonds 2008, 23.)

Over the years there has accrued new and new definitions and ways to define what a brand is. One of the basic definition is, that a brand is the image and all the perceptions of the product or service which a company is providing (Persuasive Brands 2013). Also Martin Kronberger (2010, 12) admits that the meaning and even purpose of a brand has been changing over the years. If initially it was about a roduct

and a customer than now it is much more than a tool, it is a way of thinking internally in the organization and the way of managing the organization. Therefore in order to understand how successful a brand is and will be in the future, it is not anymore enough to give customers some survey, we have to question the company internally (Kronberger 2010, 12).

Kronberger (2010, 48) suggests that it is better to create something like a mind map of what a brand is and might be, instead of trying to find a particular definition for it and establish it as the right one. According to an Economist essay of branding (2008, 6), there can be three types of branding as follows: the name of the product, the trademark and the customer belief.

There are successful brands focusing on any of the types mentioned above. Nevertheless, the situation nowadays requires successful cooperation between all of them. Another synonym or meaning of a brand is that it is an interface. It is a connection between the inside and outside of a company. It is connection or link between different things of the business world. For instance, how company is organizing links between market forces. (Kronberger 2010, 22.)

Despite what has been said above, it is still easier to define what a brand does not include or do than defining what does it actually is. We can definitely say that brand is not just a packaging, it is not just a function of marketing, it is not propaganda, it is not owned by the business, it does not work only on product level, they do not necessary have to be on-profit (Kronberger 2010, 15). Indeed there are many such definitions. Meanwhile Kronberger (2010, 5) claims that a theory of what a brand is actually does not exists yet, and what we now call a brand are conclusions we have done. Currently people take what they observe about brands and create an assumption for the most appropriate term of brands. Brands are neither real, nor imaginary.

Summing up all the thoughts and theories about brands, it shows, that it is not easy to give one, correct definition for a brand. It is something more complicated as it seems from the surface, and yet it is all the time around with every single person facing it every day, therefore, branding is becoming more and more important in companies.

Branding can be classified into different groups. Each group provides a framework of branding practices and the most significant branding elements for their business activities. There are various classifications, for instance, according to Olins (2005, 172), we can classify brands in those which are just created, which are new and newly developed and in those which are changed, adapted, improved old brands in order to make them look new and fresh.

LePla and Parker (2002, 11), provides another classification which is cooperate brands, where partners, purchasers, suppliers, owners, managers are merged to each other, for example, *Boeing and Wal-Mart*.

Branding and brand management can be classified into integrated branding and communication driven branding. Integrated branding is applied to brand management through the whole company and its values as well as customer values and actual strengths of the company are implemented into every single part of company's` organism. Meanwhile communication driven branding applies in companies where a brand means the logo, slogan and colors communicated towards customers in order to make them to buy the product.

Kronberger (2010, 22) provides one more way of classifying a brand. According to his concept the first way how to view a brand is to regard it as a managerial tool. According to theory, branding can be a tool for solving some problems internally in a company's managerial system. Also from the economic perspective, successful branding can, for instance, decrease the price elasticity and provide a company with an opportunity to charge premium pricing. (Kronberger 2010, 32.) Nevertheless if a

brand is classified as a managerial tool it does not pay attention to the social, political or cultural aspects of environment. Another thing is that a brand can be a managerial tool for the company, it should be controlled and if it is not possible to control it, company should avoid it, (Kronberger 2010, 35) but as discussed above brand is hard to control.

Next we can view a brand as a corporate catalyst. According to theory, integrated branding helps a company to reach its strategic goal and operate consistently, it not just about products and consumption, it is also about the company's culture and identity. (Kronberger 2010, 37.)

Another way to classify a brand is to view it as a sign. It refers to that particular, frame, color, brand, which is a sign of being first of all part of something. If a person is wearing suits of particular brand, it is a sign of your class, if you drink particular brand of soft drink it is a sign of your lifestyle. A brand may also be a sign of the product. It is a sign of its quality, originality or attitude. A brand is a sign of how we should interpret a particular thing. (Kronberger 2010, 44.)

Finally, according to Kronberger (2010, 45), a brand may be defined as media. It means, that brand is a relation between different parties. A brand connects a buyer supplier, final consumer and producer. It connects all the involved parties and delivers brands value (Kronberger 2010, 47).

All the classifications has one common trend – they group brands and companies according to the branding elements the companies are using and according to the elements which are the most important for the company. Looking deeper into the elements and classifications it possible to analyze the nature of the companies branding approaches, aims and possible future perspectives.

3.2 Significance of branding

A competition in the world's market is rising. Companies are competing with a price advantages, but there are limits, where price cannot anymore be decreased.

Therefore, a significance of a branding is rising. It gives new advantages for the companies which are managing it successfully. (Healy 2008, 10.) Following chapter will look at the main reasons why branding has become one of the role players in business activities and why it is important for the companies to create and manage their brands.

Together with a new market situation is increasing also the amount of brands around us. It is challenging to imagine a super market, if there would not be any brand to buy (Olins 2005, 24). A Brand management has crossed its initial commercial boundaries, now its social and cultural influence is unlimited. Branding is used in all kinds of fields including an education NGO, a tourism and a charity organizations (Olins 2005, 14).

Branding helps to ensure a good reputation. People tend to avoid going into a relationship with other people, who have a bad reputation. The same relates to the brands. If a product or a service has a bad reputation, customer will avoid choosing the case product or the service. (Healy 2008, 10.) Companies have to remember, that their brand is what their customers think it is.

Branding also encourages a loyalty of the customers and ensures the quality. A good branding creates an assumption of greater worth of the product or the service, therefore, it allows for a company to set a higher price. Customers tend to think, that a product or a service, which is branded, is better and with a higher quality than the generic one. (Healy 2008, 10.) Hammonds (2008, 20) lists similar basic benefits of the branding. According to him, branding is increasing a customer loyalty, a sales volume, an identification of the product, a premium pricing opportunity, and loyal employees (Hammonds 2008, 20).

Companies brand is a tool for attracting the best workforce, ensure a good relationship with partners, the financial world, and the whole society in which company is operating (Olins 2005, 115). According to LePla and Parker (2002, 14), a successful branding will help to avoid loss of focus. A strong internal and external branding helps to keep a company going to its strategic goals, despite turnover of employees and CEO`s.

According to LePla and Parker (2002, 5), the main internal benefits of branding are a chance for the R&D department to see a clear direction, where to go, clear strategic goals, which are not dependable from the market situation, it increases employees loyalty and initiatives. Meanwhile, as the greater external benefits are listed a chance to set a higher price for the product and compete with a premium pricing, fast repurchase decision making process from the customers, their loyalty and evangelists, it gives a bases to make a new products to enter into the market successfully, more stable share price and overall value of the company. (LePla & Parker 2002, 5.)

There are many benefits, which successful branding can bring to the company, this chapter introduced with the main of both internal and external benefits of the branding. All those benefits are playing a significant role in companies' development and the future perspective. The table below summarizes the main benefits which branding can provide for the company.

TABLE 1. Benefits which branding can provide for the company. (LePla & Parker 2002.)

RELATION SHIP WITH CUSTOMERS	EMPLOYEE LOYALTY
CUSTOMER LOYALTY	WORKFORCE ATTRACTION
PREMIUM PRICING	CLEAR DIRECTION
HIGHER SHARE PRICE	CLEAR STRATEGIC GOALS
BASE FOR ENETERING NEW MARKET	VALUE OF THE COMPANY

In my opinion, the most significant benefit is the increase of the profitability, the gross margin and other financial indicators'. Each of the benefits mentioned above, afterwards is bringing a profit for a company and increases its financial assets in both short and long term. Therefore, a branding has to be valued among other business activities, if a customer will not know that the company's product is highest qualities, it will not help much for the companies finance.

3.3 Elements of branding

In the paragraph above we discussed, how many and what kind of benefits branding can bring to the companies as well as, that a branding can be classified based on the main branding elements which are used by the companies, additionally, we should look at the branding elements separately, because it is complicated to define, what does the brand is. Following chapter will look deeper at what are the elements and of branding and their role within the organization. Moreover, we will look closer at approaches, how the elements should be executed in order to achieve successful and competitive branding.

Branding elements are used as an attributes in order to create a particular associations in customers' minds. A successful brand will show, communicate and deliver a benefit of its services and company in general towards customers, partners and owners through those elements. Nevertheless also the internal branding elements are important, because companies have to be proud of their values, cooperate culture, innovations, they creativeness and management style. Every employee has to be a part of a brand and deliver it externally. (Kotler 2007, 84.)

Brands name

A brand name is one of the most visible parts of a branding. It has to be in a line with the companies branding value and the value positioning (Kotlers 2007, 82). There are different kinds of names which a company can choose for its brand, following

chapter will show the main of them, as well as look closer at the main advantages and disadvantages for each of the types of names.

There are several basic rules in a creation process, for instance, the name has to be easy to pronounce and it should not have another meaning in a different language (Kotlers 2007, 83). Brands` name has to have a particular association with another word, for instance, *Volvo* – safe, *BMW* – an exploitations quality (Kotlers 2007, 85). In a name creation process companies can choose to create their brand name based on some person`s name, a place, a life style or to create a new name which did not exist before, (Kotlers 2007, 82) a commonly used words, hybrid words or acronym words (Moderere 2009, 4).

Choosing word which did not exist before. There are a several positive and negative attributes of choosing an illogical or newly created name for a company. Firstly this kind of word does not have the past, it does not mean anything, but if you are determined and successful enough, it can turn into an industry. For instance, as it happened with brands Pampers and Kleenex. Advantage is that, it is easier to use worldwide, because there is a lower possibility that this word might mean something else in some other country. (Moderere 2009, 3.)

Commonly used words. For instance, Sprint, Apple, Time Manager. These words create an association with the company and give a message what it is about. Disadvantage of this approach is that a particular word might have another or double meaning in other language. One more disadvantage is that a company can not truly protect its brand, because it can not forbid for the other companies to use commonly used word, for example, apple. (Moderere 2009, 4.)

Hybrid words. For instance, the brand Aquafresh. It is made from two commonly used words, therefore, it is easy for people to understand it. Additionally, since the combination is unique, it is easier to protect it. (Moderere 2009, 5.)

Acronym. Acronym is a word made from first letters of other words. For example, *BP* (*British Petroleum*). In nowadays this is not a popular approach to take, because acronyms are hard to remember and it does not tell much for the customer. (Moderere 2009, 5.)

Slogan

In nowadays almost every brand has added a slogan to its brand. It is repeated constantly in every advertisement, representative materials and communications tools (Kotlers 2007, 85). Also Yushchuk and Dzyaba (2012) marks out that, a slogan is crucial in order build a stronger bond between a brand and a customer. In this chapter you can find the rules of creating a successful slogan as well as examples from a slogan creation process of some largest words` brands.

Creating a slogan which works in the practice is not as easy as it seems at the beginning. For instance, the company *Philips* has changed their slogan for several times and still has not found the perfect one for them (Kotlers 2007, 85). Slogans a play significant strategic role in a long run, therefore, companies continue trying to find the perfect one for them. Unlike *Philips*, which has not succeeded towards their perfect slogan, *McDonalds* did. Similar as *Philips*, they were changing their slogans for many times, hoping to find the right one. And at the end they did it with "I`m lovin` it". (Hemani 2012.)

World is loaded with advertisements and information and no human being can remember an every detail. A successfully managed slogan, on the other hand, can live in the peoples` minds for a really long time. For example, when we hear "Connecting people" the fist association is NOKIA. (Hemani 2012.)

It is suggested by Hemani (2012), that in order to build a strong relation between a brand and customers, a slogan should apply on everyday`s life and touch people`s

emotions, be catchy and relate to the product. The figure below summarizes the features, which slogan should have.

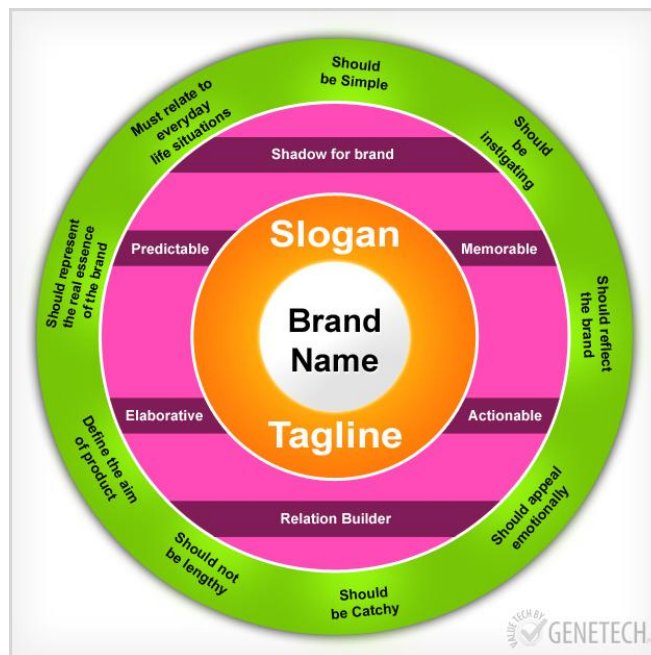


FIGURE 1. Elements of a successful slogan and a brands` name, adopted from article impact of slogan on branding, social media today (2012).

Positioning

Somma (2014) defines the positioning as the feature of how a brand will be viewed versus other brands in customers' minds. The meaning of the "positioning" is defined as what brand will be in a customer mind – what it stands for and what the brand is competing with. (Healy 2008, 8). Companies have to pay an attention on what does the customers` response on the brand is.

According to Kotler (2007, 72), first of all there has to be a clear and a droned positioning of a brand in a market. It includes three basic directions – a product differentiation, a price leader or a nicher. Usually companies choose a one position to take, but there are some which can combine and provide for their clients a high

quality with a low price. Example of that is *Toyota* Company, which produces a high quality cars, but they have the lowest production costs. (Kotlers 2007, 73.)

The next step is to choose a specific positioning for the product (Kotlers 2007, 72): to be the fastest, the strongest, the brightest, the most trustworthy or other (Kotlers 2007, 74). For example, *Mercedes* is the most prestige, while *Volvo* is the safest (Kotlers 2007, 75.) In this step, every company can choose to position some attributes, benefits applications, user, competitors, quality or price of the product (Kotlers 2007, 76).

Storyline and emotional bound

According to Bedbury (former Starbucks Vice-president) (2007, 87), customers actually do not think, that there is a significant difference between products. That means, that customers are making their buying decision on something else. In this chapter is discussed what effect can be if a company has a strong story behind its brand and how it influences the customer decision making process.

Companies has tied emotions together with their product in order to win customers. Nevertheless, emotions are tricky. If branding is using them in an inaccurate way, they can make a mirror effect and lose the customer. When the brand has to make the emotional connection between a customer and their product, they have to handle it carefully and with a care. Some companies can be associated with some stories. If they are interesting and exciting enough, they touches peoples` emotions and are kept in their minds. (Kotlers 2007, 87.)

Kronberger (2010, 107) argues, that brand is created by the stories, the sum of words which brings brands in lives. As mentioned above emotions are a significant part of every human beings life. Successful brands are taking the commitment with customers and bringing the emotions and story between them. Brands create a story and every customer should have a feeling, that they have a great role in that story.

(Healy 2008, 9.) Stories can be related to a creation of the company. How it was created and who did it. There can be stories, which show how people and a customer oriented the company is. How they have helped to some other people and supported a customer in unbelievably hard situations (Kotlers 2007, 84).

A brand has to create associations in customers, partners, owners and society's minds. Every company should ask themselves three questions regarding associates. First one relates to which are good and which are bad associations of their brand. Following question is how strong each of the associations is. Based on this question, companies can manage, which associations they would like to strengthen in a society and which would like to make as weak as possible. The third question is, if there are some associations, which are unique for particular company. Unique associations are the ones which will differ brand from similar companies. (Kotlers 2007, 84.)

Some of the experts are claiming that, a story of a brand is like a heart of it. It ties all the other elements together and brings it in live. In nowadays successful companies are becoming owners and managers of stories rather than owners or managers of product (Kronberger 2010, 110).

Design – colour, logo, symbols

Previous chapters have discussed different branding elements related to the meaning of the brand. Design is the way how to execute this meaning and show it is presented to the customer and partners. Therefore, in this chapter is theoretical information about a successful use of design elements in branding,

According to Healy (2008, 9), design is not only visual elements, it is about how the things are crafted. It is both liquid and label, the name as well as the surface. It means that the design of a brand is much more than the colors and the shape of the package. It has to be connected with the product and it has to be included in the product. Both design and product have to carry the same level of quality and values.

Visual elements are part of almost all brands. The context of a visual element, story it holds and emotional connection are things that make a difference between symbols and brand. (Healy 2008, 7.)

It is quite common that when the company says it is doing rebranding, what they actually are doing is creating a new fresh design not the brand (Healy 2008, 9.)

Markets are crowded with different kinds of visual elements and advertisements, and so many of them we do not even notice. According to Hammonds, (2008, 88), the key for successful visual part of branding is consequence

It would wise from companies' perspective to use logotypes and symbols in their communications with customers, partners and society (Kotlers 2007, 86). It has to be laconic, and include symbols of field, particular customer service and behavior complex (Moderere 2009, 5). Companies can choose to use a particular person which represents them and is the so called brands faces. They can create some "creature" which symbolizes brand or they can use some object, for instance an umbrella, to symbolize that customers are safe (Kotler 2007, 86).

When it comes to colors, the most important thing is not what does the color means by the theory, but what is the role of the color in the whole brand experience and how it supports other parts of brand (Hammonds 2008, 90). Particular colors can increase the reconcilability of a brand. There are companies which use the same color in every representative material, office design, advertisements, and even their products can only be that color. It helps to create in peoples' minds an association that a certain color means a particular brand. (Kotlers 2007, 87.)

When a company chooses a color, they should find out, if this color has a negative association with a particular field of business. The same applied to logotypes and symbols. (Hammonds 2008, 90.) As Hammonds suggests (2008, 91), companies should make a better use of professional agencies for developing their brands' visual elements. Nevertheless, he admits that it might be too expensive for SME

businesses. For small businesses actually it would be enough if their logo were just a black point in the middle of white paper. Most important is that it is consistent with the company's values, principles and actions. (Hammonds 2008, 92.)

As with the other elements of branding, the most important is that the design communicates companies' values. In order to reach this goal brand managers have to analyze different associations regarding colors, shapes and symbols as well as the features of the field.

Price.

A price is an important part for the economic as well as the marketing perspective of the company. Nevertheless, also in branding it plays role by creating an image of the companies' product or service. According to Ketler (2007, 72), there are several directions for companies to choose towards the price and benefit interaction. The following table summarizes the directions.

TABLE 2. Possible value propositions, adopted from article market segmentation targeting and positioning for competitive advantage.

		Price		
		More	The same	Less
Benefits	More	More for more	More for the same	More for less
	The same			The Same for less
	Less			Less for much less

According to Kotler (2007, 72), there are 5 directions to go. The first one is - *more for more money*. There are luxury products, which provides the latest features and the most creative designs or the best possible quality. In order to cover expenses they charge premium price for that. (Kotlers 2007, 77.) The second direction is *more for the same price*. Those are the brands, which are aiming for the same quality and features, but charges less (Kotlers 2007, 77). The third direction to go is *the same for a lower price*. It applies for basic products with a lower price (Kotlers 2007, 78). Another direction to choose is *less for less money*. Sometimes customers do not want extra features to be added to products or services and accordingly being charged more. They better choose to get a simple thing with basic features and to be charged lower. (Kotlers 2007, 79.) The final direction to go is *more for less money*. It applies for companies, which can provide a wide range of assortment for a low price. One of the brightest examples of that is Wall-Mart chain. (Kotlers 2007, 79.) These options provides for companies a chance to evaluate, how they want their products value being seen versus its price and how it would support or create a trouble for a brands` image.

Internal branding.

It was discussed above in "What is A Brand" paragraph that the meaning of the brand has been getting wider. It is not anymore just about a product, it is about the whole company, also internally. According to Olins (2005, 189), a brand has two roles - to make an "externals" to buy and to make an "internals" to believe. An internal branding refers to managing and inspiring employees to do better at every stage of the company`s activities. An internal branding ensures an advantage of a company over its competitors (Healy 2008, 10).

Marketing`s basic principle for many years has been "the customer is the most important", because it is viewed, that without a customer a company cannot exist. It is still true, nevertheless, there has accrued another principle. Of course, a brand cannot exist without customers, but a brand also cannot exist without a personnel. Employees can improve a company and they can kill a company, therefore, an

importance of an internal branding is rising. (Olins 2005, 189.) There is an increasing workforce circulation between work places, managers and employees are coming and leaving. For keeping and attracting the best employees, an internal brand management and an internal brand values in a company's daily operations are significant. They are delivering a reputation and a trust to employees. (Olins 2005, 129.) A personnel have to truly understand, believe in and live for a brand, otherwise the company cannot make a customer believe and trust on a brand (Olins 2005, 189).

Willems and Leenhouts (2009, 2) provides a model for an internal branding.



FIGURE 2. The model for an internal branding, adopted from the article stages of internal branding (Eck, Willems & Leenhouts 2009, 2).

The first stage is about what does the brand stands for. It also includes such a things as a vision, values and a mission (Eck, Willems & Leenhouts 2009, 2). Also other professionals agree that the purpose and the vision of the company internally are important. In successful internal branding company has to have as strong purpose and vision. Why the company does exists, for what it exists and where does it goes.

These things have to be understood and communicated throughout the company. Employees should not be just informed, they should be engaged. (Inward Strategic Consulting 2012.)

In the second stage employees should be asked to think, how those brand values, the mission and other aspects are influencing their daily tasks and behavior. The following step is to put these thoughts in a practice. In the final step an internal brand is implemented in all stages of the company, such as the Human Resources, management, a production and others. (Eck, Willems & Leenhouts 2009, 2.)

Brand is a body of different elements, which are creating, supporting, developing and communicating it. Each of the elements has their role in a brands` execution, and features, which makes them successful. All of the elements have something in common, they all are communicating, displaying and executing values of the companies and the story of the brand. Therefore, the corner element of a brand is a story which a brand is carrying, because this element is in the center of the rest of them. Nevertheless, also the rest of the elements have a significant importance in branding. They can increase the success of the brand or other way around, they can turn it into the failure story. In nowadays also the role of an internal branding is rising. Competition of a qualitative workforce is increasing and similar as with an attraction of a customer, companies have to attract also employees. Moreover, employees are a part of the brand.

3.4 What makes branding element successful

There are brands which fail and brands which are long lasting and are able not only to survive for many years, but even increases their competitiveness and market share year after year. The question is –what are the differences between these two kinds of brands. The following chapter will discuss branding elements and their management which helps for companies to be sustainable and gain a long term success.

The most successful brands have branding elements which are entirely consistent. All the aspects of their actions and existence support and strengthen the rest of them. Mission, vision and value formulation is the first step for many companies towards their consistent internal and external branding. Unfortunately in many cases these formulations stay just on paper and are not truly implemented in the entire company (Olins 2005, 175). In other words in order to make brand and its elements successful, the company has to make them consistent, in terms of quality, values, purpose, objectives and story.

According to LePla and Parker (2002, 10), to evaluate a company's brand, its integrity and ability to be competitive in the future, companies have to be responsible for tone and style of external communication, corporate culture, employees' ability to explain the strategy and principles of brand and mission, values of company, consistency of messages through the company and/or brand, would brand be recognized by customer without logo, meaning of products names (LePla & Parker 2002, 10). In the best brands there is an internal link, made by and kept by employees of organization who entirely identify themselves with a particular brand (Olins 2005, 175). In other words every element of branding has to be linked with other elements in order to build a common strong brand body and support each other. Moreover, it has to be both externally and internally in the organization.

It is significant for companies to gain not only a short term success, but also be able to compete with their brands in a long term. One way to make brand long lasting is to build a long term memory of it in people's minds. The first factor which brings a brand in a customer's long term memory is a strong experience of every element of branding. If the experience is stronger there will be a higher possibility that memories last long. An experience has to be real, it cannot be abstract and the more often a client will face the brand, the longer it will stay in their memory. (Hammonds 2008, 80.) It means that branding is not one time action, it has to be an ongoing process to keep the memory of a brand with customers and to bring it up on the top of all the other memories (Hammonds 2008, 81). As mentioned above the story is the heart of a brand. If every element of branding is carrying the story, every time a

customer or partner faces the element, they face the same story and it will strengthen the long term memory of a brand.

Nevertheless there are brands which we all knew, but they are not anymore around as, because they were not successful in executing long term brand management. Kapferer (2008, 237) claims that the highest risk to see the end of brand is for brands which represent one product. It means that if a brand only includes product, it is attached to the product and its life cycle. Therefore, the decline stage of a product's life cycle also means the decline of the brand. One way to avoid the situation that a brand is linked to the product life cycle is innovation. Every brand has to be active and pay attention to innovations. If not, then a new and cheaper product might take their spot light. (Kapferer 2008, 241.) Brands communication is included in every brands' element, shapes, colors, stories, price, slogan, which are all tools and also platforms for communicating brands values and strengths towards customers, partners, employees and others. Therefore, it is significant to keep improving the communication, If a company is creating a new and innovative products and services, but other parties do not know about that, it will not bring the needed success for the brand, which is why another significant action in brand management is investments in communication. Communication is like a weapon for the brand. One of the main roles for the communication is to make brands capital sustainable, and valued for a long time (Kapferer 2008, 244).

When a company has created a new and an innovative product, it has to be communicated to the customer. Therefore, another important element is the creation of relationship with a customer. It is important for a brand to first of all to find the right retailer and after that to keep a great relationship with, that retailer in order to take care of the final buyer of the brand (Kapferer 2008, 248). The choice of a retailer is also part of brand image.

A brand has to bring the same feelings and emotions in all the situations you are facing with it. Every action with a brand, from greeting till goodbye words has to strengthen and prove the trust. Every single detail in a brand has to support the

overall brand image. (Olins 2005, 194.) Communication via phone or email, meeting with representatives, receiving a past delivery, visiting a homepage all have to leave the same impression about the company (Olins 2005, 195). Also Champniss and Vila (2011, 134) argues, that trust is the central part of a brand. They have to be trusted, otherwise there is no future for them and there is nothing they stand for.

Often companies, when they are asked if they are trustworthy for their customers, they answer, that yes, because they are transparent. But do really a trust and a transparency is the same. Most likely if we do not trust the company, we require it to be transparent. But if we trust we simply trust. It does not mean that companies should not be transparent, it means that there is more work in a branding to do then only providing transparency. (Champniss & Vila 2011, 139.) World is crowded with different products and many of them provide similar features and even look similar. Only companies which can achieve a distinctive trade name and an image can be successful in a long term. Additionally, it is very important to protect the distinctive asset, which company has. (WIPO Magazine 2002.)

A trademark distinguishes one product from another and protects the difference between them. Trademarks give a chance for a company to protect their name, a sign, which makes them special in the market. Nevertheless, many companies do not take this chance to protect their exclusive right to utilize their name and brands image. In that way companies put themselves under the risk that some other company might use the reputation gained by brands name and start to operate with it in their area. (Fortune Manning Lawyers 2008.) It is suggested to protect trademarks already on an early stage of development of the brand (Novagraaf 2014). In that way companies will already start from early stage to protect their brands from being used by other companies. Additionally, it helps to “check”, if there is no similar brand already in the market (WIPO Magazine 2002). Another benefit of the trademarks is that after it has been registered, it becomes brands` asset. In the future a company can operate with it in order to reach its strategic goals, for instance, selling it or licensing it (Fortune Manning Lawyers 2008). In nowadays there is a possibility to register such trademarks as a sound, a smell or a color. They are

called non –traditional trademarks. The registration of s a non-traditional trademark is challenging, because it is hard to prove their difference. Nevertheless, there are companies which have succeeded in developing and registering their own non-traditional trademarks. (Fortune Manning Lawyers 2008.)

Of course, a brand is much more than the name and the image Nevertheless, those are one of the most visible parts of the brand, and a trademark protection provides a chance to protect them (Patent Attorney & Trademar Attorney). It is crucial in a long term brand management to protect, what you already have in order to avoid a situation, when someone else is using, what you have created.

According to Olins (2005, 177), a one way to understand and analyze a brand is the four vectors theory. According to theory, there are four vectors – an attitude, a communication, an environment and a product. These four can be called as a four sense of a brand. A *product* is the good or a service, which the company is selling and *communication* is how the company tells to the society and all involved parties, what and how they are doing. *Environment* is where a product is manufactured and sold. *Attitude* is how an organization and everyone working there is acting towards each other, and towards other companies, society, partners and customers in every situation. Depending on brands character every vectors importance versus other vector can be different. (Olins 2005, 176.) Product vector usually should be the most important. That does not mean, that other vector is irrelevant, but even with a perfect communication, if a car does not function, a communication will not help much (Olins 2005, 177).

An environment is a relatively new meaning in a brand management, it has appeared approximately since the year 1970. In nowadays an environment sometimes is called brands experience. Every supermarket tries to provide an environment where a shopping is the journey. (Olins 2005, 177.) What is the feeling when making a purchase in particular places, where it is located, what kinds of options it provides - those all are parts of anenvironment vector (Olins 2005, 178).An environmental

vector usually is more important for the hospitality and the retail industries (Olins 2005, 179).

A communication vector is more important in food, household and commodity's` industries. An image, a color mix, a logo and a slogan is important for them, but over all that emotional links are what matters the most. (Olins 2005, 181.)

An attitude vector is used in all products and services which we are buying. In every company importance of it and the way of delivering it is different (Olins 2005, 182). A truly successful company knows how to combine all four of them (Olins 2005, 183). According to Olins (2005, 184), there are several approaches in branding. The first one is the cooperative approach, where the same logo, slogan and principles are used for all products and services of a company. One example for a cooperative approach is the company Yamaha - Yamaha pianos, Yamaha motorcycles have the same brand (Olins 2005, 184).

The second approach is the supporting approach, when a company has several brands and each of them have their own name and identity, but despite that, they are viewed as a part of entirety. Examples for this approach are many university, where different departments have their own brands (Olins 2005, 178). According to the theory, the third approach applies to the situations, when a company has different brands in it and all of them are separated and without any links between them (Olins 2005, 184).

One of the world's greatest advertisement agencies *Young and Rubicam* has developed their theory about brands` evaluation. According to it, there are *worried brands*. Those are the brands, which are well recognized, but they have no respect towards them. In this case, brands` quality and features should be improved before we start to advertise it. Other kinds of brands are the ones, which have a high level of an attraction, but low level of recognition. These ones are the first ones in a line for starting a great marketing campaign. (Kotler 2007, 88.) Brands` experience has to be

in a line with a brand's image. (Kotler 2007, 88). According to Kotler (2007, 89), in order to evaluate a brand, companies should ask themselves the following questions: What is their specific position? What are the decision driving factors for customers when choosing to buy their products? What are the values and the associations in customers' minds, when they think about your brand? Do they have a slogan, and what is its meaning? What are the symbols and the logo of a company. What is the story of a brand? (Kotlers 2007, 89.)

A brand audit gives a chance for companies to evaluate their separated brands and their all common performance, in order to take future actions to manage them more successfully. It gives a picture of a strong and a weak points of each brand. There are several approaches in order to perform a brand audit. A company can use surveys or cooperate with the focus groups or other. (Kotler & Pfoertsch 2006, 191.) An audit provides an information of the current market situation and a prediction of the future perspective of it. In order to audit a brand, first of all we have to understand the product, which is the essence of the brand, market, communication and attitude (Modere 2009, 2).

3.5 Branding in Latvia

Branding as a term in Latvia is really new. The development of it has been different than from most of the other countries, that is why following chapter will introduce with specific branding aspects and its historical development in Latvia.

The strongest brands in Latvia have not paid anything for their brands. They proved themselves with a quality and stayed around ever since. The problem for these brands in terms of export and winning internationally is that they assume that the same will work for the abroad, but turns out that outside world is full with a strong branding and the marketing competition. (Stendziniēks 2005, 252.)

Looking deeper at companies, which are more visible and are spending money on advertising, it shows that they are not consistent, they are changing their slogans, and they do not even know why they have the particular slogan. In other words there is nothing consistent what would stay in peoples' minds (Stendznieks 2005, 253). According to branding professional of Latvia Stendznieks (2005, 253), in Latvia there are no such a brands, which from the very beginning are created with a carefully and with a clear goal and target. In such a meaning there are no brands in Latvia. It does not mean that there are no brands at all, because even if a company is not building a brand, it can still be build by the customers – by their experience and an emotions. (Stendznieks 2005, 253.)

If a brand is compared with a women, than a strong world's brand is like a beautiful, charming women, who is impossible to not notice in crowd, while a typical Latvian brand is like a women with a bright make up, in bright red dress, who in a prom will come to everyone and tell "Look at me, I have a red dress on me". It means that Latvian brands are shouting all the time out how great, cheap the best they are. While for customers it brings emotions that, they are viewed as creatures which do not know on their own, what is the best for them and what they should choose. (Stendznieks 2005, 254.) Unfortunately according to LePla (2002, 8), brands who assumed that if they have been successful in past, they will be as or more successful in future without paying attention on branding, will face a dramatic truth of nowadays opened and competitive market.

In opened and competitive market companies have two roads to go – to create a strong brand and strengthen their position in the market with a goal to become the market leader or to decrease the price and compete on a price base while becoming a community (LePla & Parker 2002, 8). Many companies have an opinion that branding is needed only for creative, unique and entertaining products, while for the rest it all is about a quality and a price. Actually researches shows, that any kind of product or service and a field of a company can benefit from the branding (LePla & Parker 2002, 8)

Before Latvian government imposed restrictions on lotteries, the only relationship between a customer and a company in Latvia was for an exchange of gift. Still in 2003 out of 15 advertisements, 11 were with a message "Buy and Win". Prizes were big and a company's turnover could increase for 300% during the lottery period. Unfortunately, after it, turnover decreased even faster, because customers just turned to other company which is providing a chance to win a house, a yacht, or a cabriolet. Companies became addicted from this. In the middle of 2003 the company "Livu Alus" (one of the biggest beer producers in Latvia) was asked "What is your position in market" and the owner of the company with a seriousness answered. "Last month we were second in Latvia. This month fourth because our lottery ended but competitors started". (Stendzinieks 2005, 256.)

What was the result of all that – strong companies lost their market share, unknown companies gained market share, all the possible relationship with a customer were destroyed, because if there is no gift, there is no relationship, only reason why customers knew an address of a company was for picking a prize, branding was through back in the past (Stendzinieks 2005, 257).

4 IMPLEMENTATION OF THE RESEARCH

The survey was designed in order to determine the use of branding elements by the research subject. The data was collected using a survey. Originally it was conducted by a company called Gateway Baltic, with 46 questions. In this research 15 of those questions were used.

The language of the survey is Latvian, because it was distributed among the largest Latvian companies. The survey in Latvian as well as the translated version in English you can find in Appendix 1. The survey was distributed by the company gateway Baltic, in order to get answer from companies, because it might have been challenging for a student. It was distributed through the internet to the general managers of the companies and it was filled out either by the general manager, marketing/branding managers. See more detailed information about the distribution of the respondents in Chapter 5.1 Background information of respondents.

The survey is divided into three parts.

1. Background questions.
2. Importance of branding and its elements
3. Management of branding elements

The background questions were placed at the beginning of the survey and they were developed in order to recognize a company, its industry as well as the particular person, their job title and contact information, and to see if the representatives of the companies are managers. The respondents also had to answer in which industry their company is operating, industry classification is made by IC Benchmark approach. (ICB, Structure and Approach).

The second part is used in order to measure the importance of branding as well as the different elements of it among the respondents and to compare them to the

representing industries. Multiple choice Likert Scale questions were used, in order to measure the importance of the different elements. The choices in the Liker Scale were :

1. Not important at all
2. Rather not important
3. Might be important at some points
4. Important
5. Very important

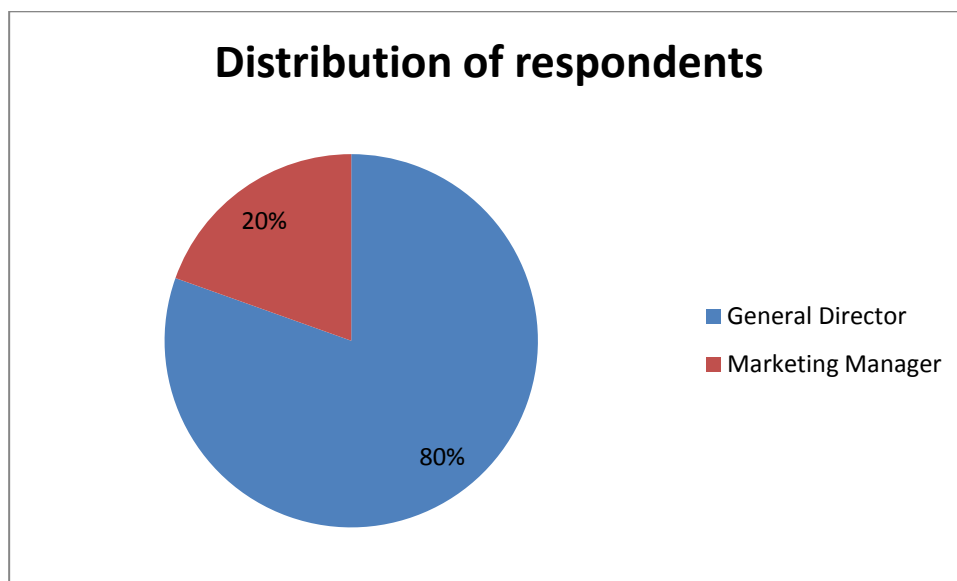
In the third part, open – ended questions were used, in order to see what the tools which companies are using, and what are the most significant parts of each branding element by the company.

There were 15 questions with three background questions, six multiple choice questions and four open-ended, which are using Likert scale and measuring importance of branding and its elements. Question11. to question 15. are opened – ended questions regarding management and use of different branding elements. Answers were downloaded into Excel and analyzed through it.

5 RESULTS

5.1 Background information of the respondents

Survey was distributed to the 150 largest Latvian companies and the response rate is 89%. The number of respondents is 133 companies, which means that $n=133$. All the companies are Latvian companies operating internationally. The survey was filled either by general managers of the company or marketing managers. 80% of the respondents are general managers and 20% marketing managers.

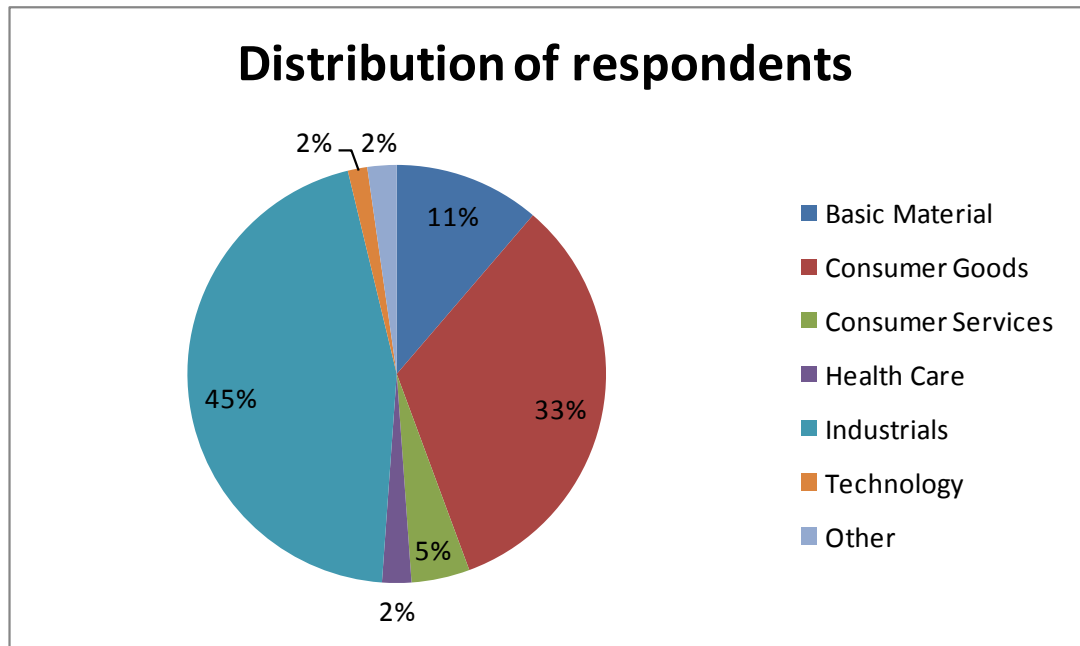


$n=133$

FIGURE 3. Distribution of respondents' job title.

The companies involved were selected by their turnover in order to display the results of the largest Latvian companies also being international operators. The distribution of the industries shows which are the most internationally operating industries in Latvia and gives a chance to compare the branding elements used by these industries. The majority of the respondents are operating in Industrials sector, following with 33% of respondents is Consumer goods industry and with 11% Basic material industry. Customer services are represented only by 5% of the Companies,

because there is low number of service related Latvian companies , which are operating also internationally. There were only a respondent from each of following - Telecommunications, Advertisement, and Utilities. Therefore, they were grouped under the category – Other industries.



n=133

FIGURE 4. Distribution of the respondents industries.

All the companies that responded are generating at least 70 000 EUR per year, and are operating not only locally but also internationally. 38% of the responding companies have 86%– 100% of their turnover generated from international markets.

5.2 Importance of branding

There are represented different industries in the research, each of them have specific business concepts, as well as target groups. Therefore, also is their attitude towards branding is different, that is why this chapter is clarifying how important from companies` points of views the branding is for them. In this chapter are displayed

results of the multiple choice questions, which are using Likert scale from 1 to 5 in order to define how important does the branding in for largest Latvian companies and how important is it to communicate a brand through different channels.

TABLE 3. Importance of the branding and its communication channels.

Question	Industry	Mean
How important does the branding is in your industry?	Basic Mterial	3,5
	Consumer Goods	4,0
	Industrials	4,1
	Customer Service	3,5
	Health Care	5,0
	Technologies	3,0
	Other	4,7
	TOTAL	4,0
	How important does the following marketing elements are for the companys` activities? (participation in trade shows and exebitions)	Basic Mterial
Consumer Goods		4,2
Industrials		4,2
Customer Service		4,5
Health Care		4,3
Technologies		3,0
Other		4,0
TOTAL		4,1
How important does the following marketing elements are for the companys` activities? (communication and interaction through the homepage and social media)		Basic Mterial
	Consumer Goods	4,1
	Industrials	4,2
	Customer Service	4,8
	Health Care	4,3
	Technologies	4,0
	Other	4,3
	TOTAL	4,2

The results for the importance of the branding shows, that the average result is 3.97 out of which the highest result is from respondents of Health Care industry - 5, but this industry is represented by only 3 companies. Following with the result of the mean of 4.67 is other industry (telecommunication, utilities and advertisement). The lowest score is from Technology companies with the mean of 3.00. Similar is also with the participation in trade shows, where importance of them has been evaluated

the highest by the Health care industry with a 4.33 and the Customer service industry with a 4.50, while the lowest score comes from the Technology industry with a mean result of 3.00.

The mean result for the brands communication through the homage has a mean of 4.20, which is higher than the result for the participation in trade shows. Also for this question the highest result comes from the Health care, the Customer service and Other industries. For the brands communication through the social media the mean is 3.20 which is the lowest result comparing with other channels. The highest result for this channel comes from the Customer Service Industry with 4.50 and the Other industry with a mean 4.67 and the lowest result is for the Technology industry with a 2.50 and for the Basic material industry with 2.86

5.3 Brands` name and slogan

The following chapter deals with brands name and slogan. The first thing displayed is the companies` opinions about the need of adapting their brand names in order to make them more successful in the international market. This question is a multiple choice question which uses a Likert-scale of 1 to 5. There is also an open questions concerning the most unique elements of a company`s brand in order to see if the brand name and slogan are viewed as a unique element.

If we look at the average result it the result of 3.64. It means that for most of the companies adaptation of their brands` name might be useful, but it is not necessary. The majority of those responded evaluated the importance of adapting a brand name to be equivalent to 4 (It is rather important)

TABLE 4. Importance of adapting brands name

Industry	Mean
Basic Material	3,6
Consumer Goods	3,8
Industrials	3,6
Customer Service	3,5
Health Care	3,3
Technologies	4,5
Other	3,0

The results from the comparison of the industries show that the companies representing the technology industry views the adaption of a brand more important in order to make it successful in the international market. Meanwhile, companies representing such industries as telecommunication, utilities and advertisement (classified under the title “other”) view the adaptation of a brand name as less important for their company. The Health Care industry also listed the importance of brands name adaption low – giving it 3.33 points and this industry has the lowest standard deviation 0.58, because the answers were neither very low nor very high, varying from three to four points. 13% of all the respondents have named their slogan as one element in a unique brand.

TABLE 5. Slogan as unique element of branding

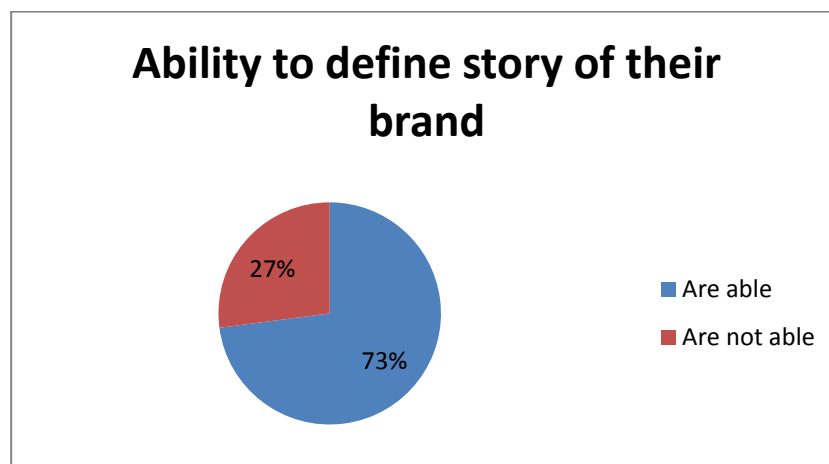
Industry	% of respondents
Industrials	17%
Consumer Goods	14%
Basic Material	7%
Consumer Services	0%
Health Care	0%
Technology	0%
Other	0%
Total	13%

The Industrials sector is the one which lists slogan as the element of brands' uniqueness more often than the other companies. In total 17% on the companies categorized under industrials sector, listed a slogan as a uniqueness of their brand. Meanwhile, there are eight industries which do not view slogan as one of the most unique elements of their brand.

5.4 Storyline and values

A story is the heart of a brand, and it should be implemented in every aspect of branding. Therefore, following chapter displays the companies' attitude towards a story line of their brand or brands' values. There is used open-ended question, where it is asked to the companies does their brand have and can they define the story of it. The purpose is to see how many of the brands are managing not only visual elements, but also the story behind them.

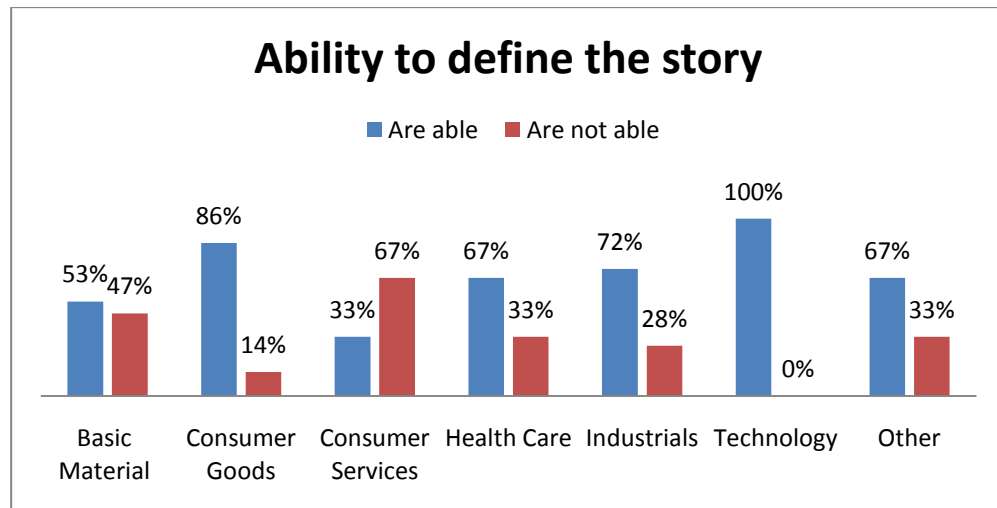
Question is answered by all 133 companies.



n=133

FIGURE 5. Company's` ability to define the story of their brand

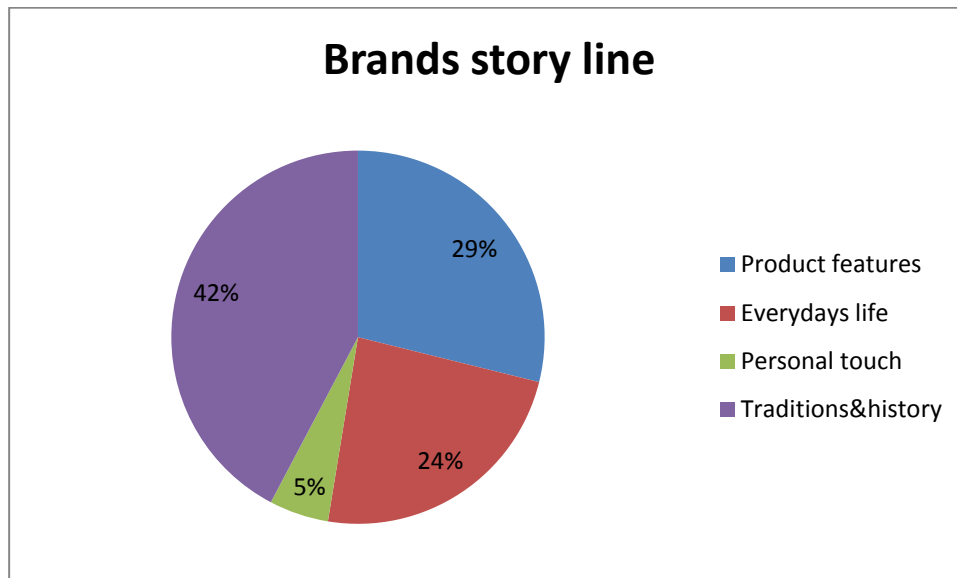
Most of the respondents answered that their brand has a story behind and they are managing it into other branding elements, as well as they were able to define what the story is. Nevertheless, there are 27% of the companies, which answered that their brands do not have a story behind. The reasons were diverse, there were companies which reported, that they simply hired a design company, which made a log, three of the companies, said that that it is useless for their kind of business.



n=133

FIGURE 6. Company's ability to define the story of their brand (by industries)

Comparing different industries research shows, that the technology companies have developed their story of the brand and are using it as an element of branding more often. Also 86% of the Consumer goods companies have a story behind their brands and are able to define it. Representatives of the Basic Material industry showed that for them it is not necessary to have a story behind the brand, because the product is only thing that matters.



n=97

FIGURE 7. Brands story line

In the question it was also asked to define a story of their brand. The answers were coded into four groups in order to see the meanings of the stories - product features, every days life, personal touch, or traditions and history. 42% out of 97 companies which have a story behind their brand have it related to the history of traditions, either of Latvia, of particular region of origin or traditions creating process of product or service.

Listed by 29% of the companies which has storyline of their brand, is a product features, it means that story is about the quality which their product is carrying or innovation of the product. The personal touch, which by the theory is one of the most significant parts of the brands story, is used only by 5% of the companies which have the story of their brands.

TABLE 6. Brands story line in the scope of the industries

	Product features	Everyday's life	Personal touch	Traditions & history
Basic Material	63%	25%	0%	13%
Consumer Goods	11%	24%	8%	58%
Consumer Services	0%	100%	0%	0%
Health Care	0%	0%	50%	50%
Industrials	42%	21%	0%	37%
Technology	0%	50%	50%	0%
Other	50%	0%	0%	50%

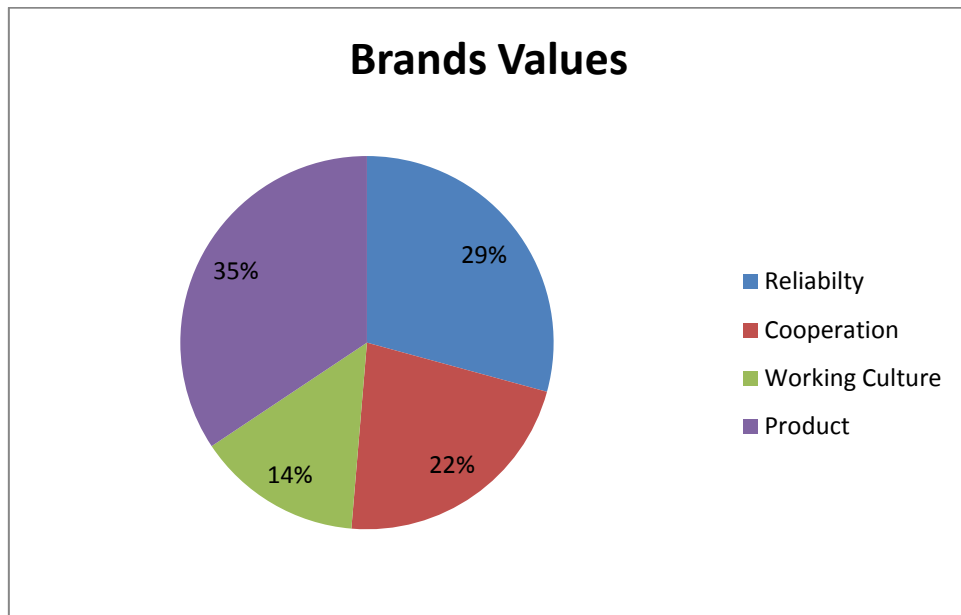
By the industry scope it is showed that for respondents of the Industrials and Basic Material and the Other sector most of the storylines are related to the product feature, while for Consumer goods, especially food & beverage companies it is most common to communicate the traditions and the history of their products` place of origin The same applies also for the Health Care industry. The Technology industry have included every days life and personal touch in the story of their brand.

The company`s` story also displays the values of the brand. What does the brand stands for and what is the most important for it? In order to see what values do brands have, there is used a multiple choice question and also an open - ended question. Questions are answered by 133 respondents and they had in total 439 values listed. The answers are divided into the main groups of values - reliability, cooperation, working culture and product. Afterwards they are grouped by the related values as it is displays in the table below.

TABLE 7. Categorized values

Reliability	Cooperation	Working Culture	Product
Accuracy	Long term partnership	Employees	Quality
Promises keeping	Flexibility with customer needs	professional attitude	Availability
Trust	Individual approach	Safety	Innovations
Stability		Transparency	Ecological approach
Loyalty			
Honesty			
Experience			
Reliable			

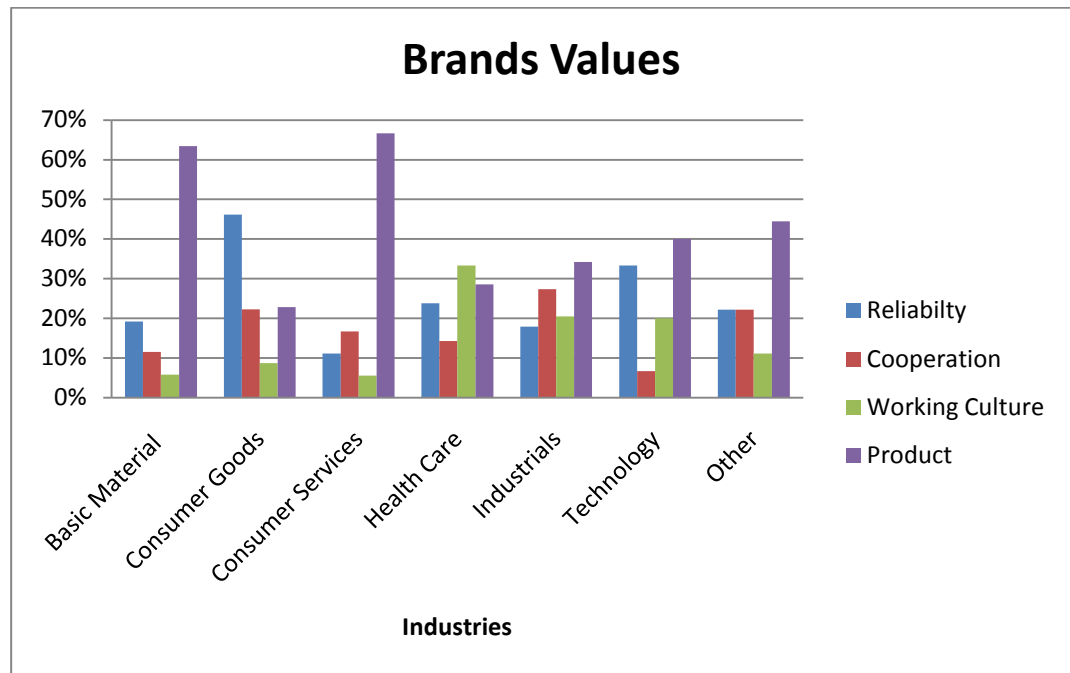
Most of all the values listed by the respondents are related to a product, for instance, products` quality, price advantage or different features it has. 29% of the respondents` values are related to a reliability of the company, which includes a loyalty and flexibility towards a customer and a partners and keeping deadlines. 22% of the companies answered that cooperation related values, such as an opened communication, a long term partnership with customers and partner are one of the most important. The least listed group of values is working culture which includes qualitative workforce, safety standards and transparency.



n=133

FIGURE 8. Brands values

In order to see the result in the scope of the industries, the amount of values listed in each of the group is divided by the total amount of values listed by particular industry. The results shows that for the Basic material, the Consumer Services, the Industrials, the Technology and the Other industries the product related values matters the most, while for the Health Care industry the most significant are working culture related values.



N=133

FIGURE 9. Brands values in the scope of industries

5.5 Design – colors, logo and symbols

Design is the most visible branding elements, it can be represented in materials, packaging, advertisement materials and other places. The first stage is to understand how important visual elements are for the largest Latvian companies. Therefore, this chapter shows importance of logos and other visual elements among the largest Latvian companies. Multiple choice questions on a Likert Scale of one to five were used. Also an open-ended question regarding the choice of visual element were used.

TABLE 8. Importance of logo

Importance of Logo	
Industry	Mean
Basic Material	3,9
Consumer Goods	4,0
Industrials	3,8
Customer Service	4,3
Health Care	4,7
Technologies	3,5
Other	4,0
TOTAL	3,9

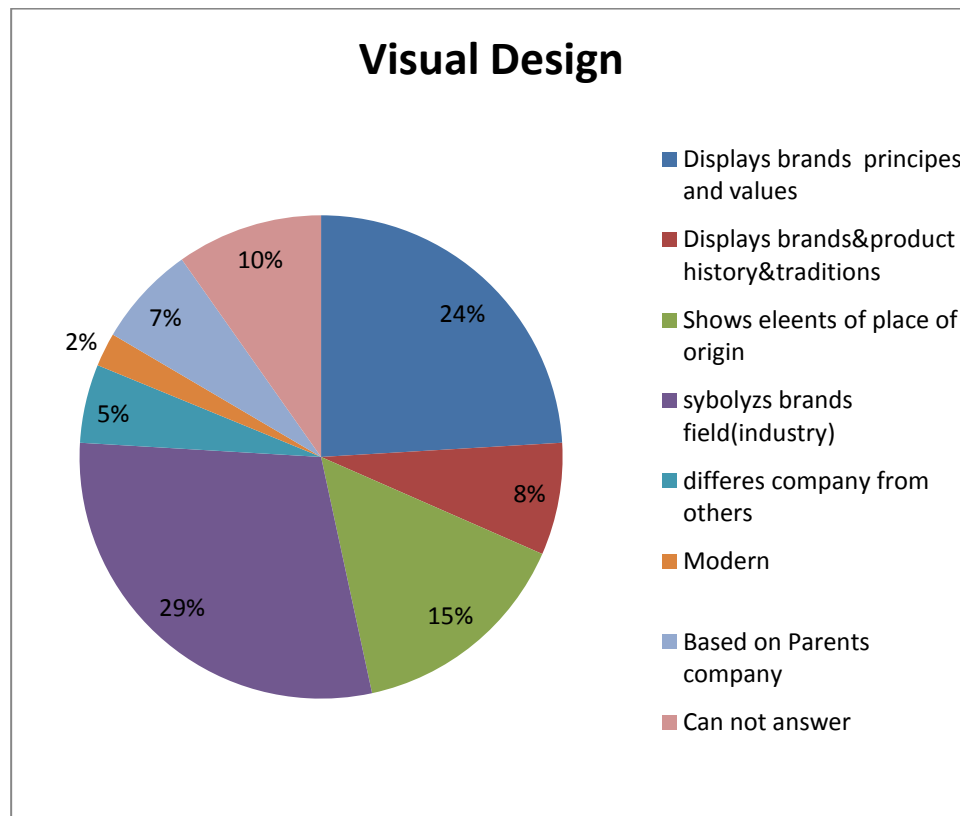
The mean result of all the respondents is 3.88, which demonstrates, that logo is rather important for brands. The importance of a logo was evaluated highest in the Health Care industry with a mean of 4.67, followed by Customer Service with 4.20. The importance of a logo in branding was give the lowest grade by the Technology industry (3.50) and the Industrials industry (3.75).

TABLE 9. Importance of other visual elements

Importance of Other Visual Elements	
Industry	Mean
Basic Material	3,6
Consumer Goods	3,9
Industrials	4,0
Customer Service	4,3
Health Care	4,7
Technologies	2,5
Other	4,0
TOTAL	3,9

The respondents were also asked to mark the importance of other visual elements, such a colour, packaging and product design among others. The results shows that the mean of all companies is 3.94 which is higher than the importance of a logo. As

with the question concerning logo, the importance of other visual elements was also evaluated highest in the Health Care industry with a mean of 4.67 and followed by the Customer Service industry (4.25). The lowest mean score comes from the Technology industry 2.5 and followed by the Basic Material industry with a mean of 3.64

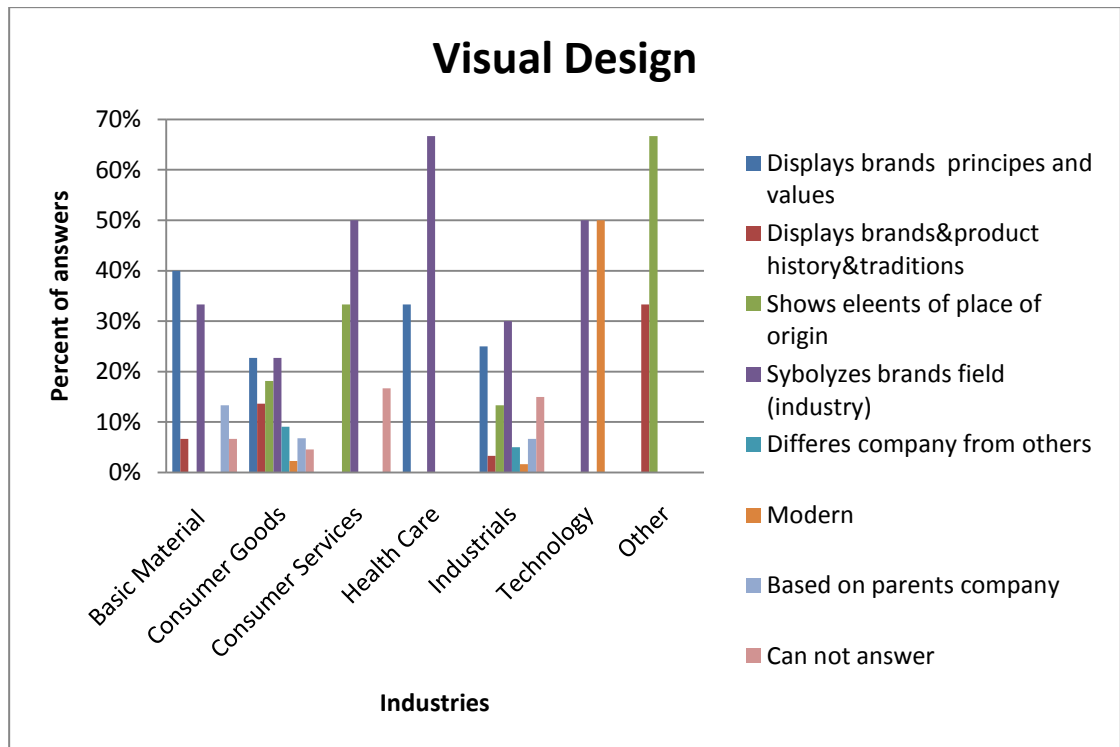


n=133

FIGURE 10. Choice of brands visual design

In an open ended question the respondents were asked to tell what their brands visual image is representing. All the answers were coded and grouped into eight following groups – displays brands principles, displays brands and products traditions and history, shows elements of the place of origin, symbolizes brands field, differs company from others, it has to be modern, it is based on parents company and responded could not answer. The Largest amount of companies – 29% of

respondents answered that a design of their brand is developed so that it shows brands` field, it means that customers or partners by looking at the brands` design straight away recognizes in which field the brand is operating. Followed with 24% of respondents was the answer that their visual design displays and communicates brands` values and principles towards customers and partners. There are also 10% of the respondents, which were not able to answer the questions.



n=133

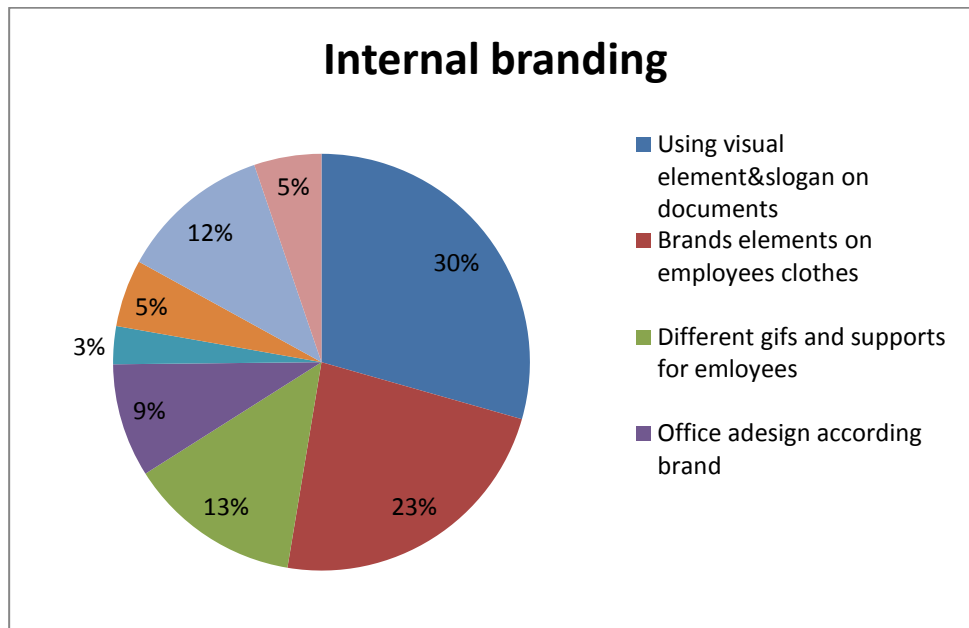
FIGURE 11. Choice of the brands` visual design in the scope of industries

Displaying brands` principles and values through its design has been the most common answer for the Basic material and the Consumer goods industries. Displaying brands` history and traditions through the brands design has not been the most common answer by any of the industries, but for the Other industry group it has been the second most common answer, for this industry the most common answer has been - to show different elements and representative colours from their place of origin, this has been the second most common answer for the Consumer

goods industry. The most common answer for the brands of the Consumer goods industry has been that the design symbolizes the field where the brand is operating; this has been the most common answer also for the Industrials, the Health Care and the Technology industries.

5.6 Internal branding

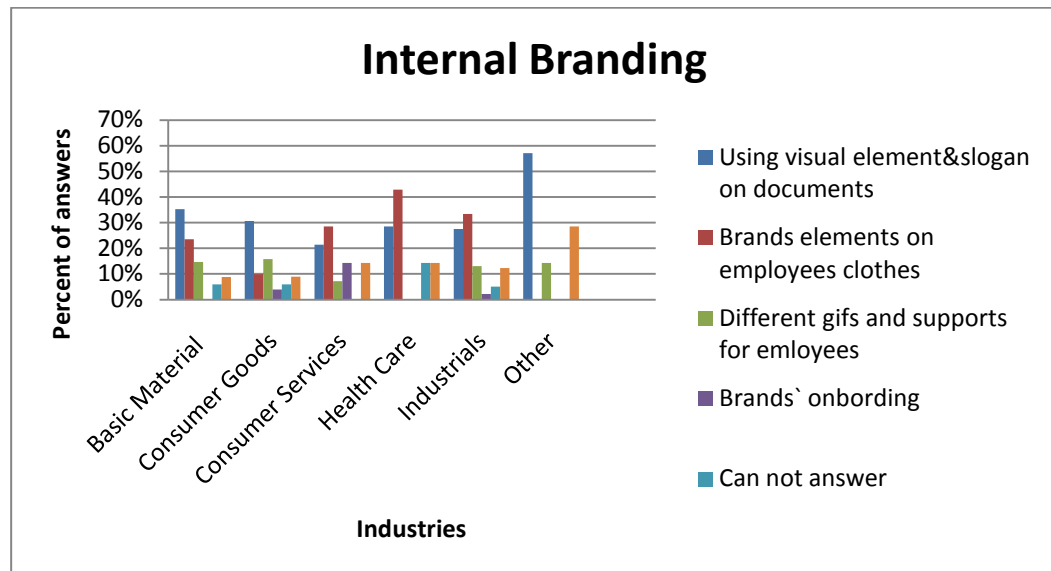
Employees are a part of the brand, they are building it and communicating it, that is why an internal branding has become one of the most important branding elements. In this chapter we will see how the largest Latvian brands are using an internal branding as one of the elements to build their brand stronger and also what their practices in an internal brand management are. In order to that there is used an open-ended question which asks to the companies to describe how they are communicating their brand internally. Moreover, companies were asked to list the practical things which they are doing. All the respondents filled the field for answer, but 5% of them reported that they are not able to answer. Since each of the respondents could report more than one answer, there are in total 306 answers reported.



n=133

FIGURE 12. Practices in internal branding

30% of the answers showed that they are communicating a brand internally through the visual element and the slogan on different kinds of documents and emails. Followed by 23% of the companies most common answer is that the companies through the employees` clothes are communicating their brand, taking into account that most of the companies from them are the Industrials and the Basic material and the most of their employees are working in factories. It is also required for the company to provide working equipment for them. Only 3% of the respondents have answered that they have on boarding for the new employees in order to introduce them with the companies` brands.



n=133

FIGURE 13. Practices of an internal branding in the scope of industries

Using a logo and a design elements on the documents and the emails have been listed as the second most common answer by all of the industries. Brands` on boarding as an internal branding for employees has been listed by the Customer Service, the Industrials and the Consumer Goods industries, for the Consumer goods it has been the most common answer. For the rest of the industries the third most common answer has been that they are giving some gifts which are representing the brand for employee. Also internal events are a common answer for the companies`.

6 CONCLUSION

The objective of the research was to provide overall information about the branding elements of the largest Latvian companies. The objective was reached, because the results of the research provides an information of how important branding elements are for the Latvian companies, which are the most significant branding elements from the point of view of the Latvian companies, as well as what are some of the practical actions companies take in branding element management. Moreover, the results provide an opportunity to compare the industries one with each other, and to see the differences and similarities among them.

In most of the branding elements, the most important Latvian companies emphasized the importance of a product. Visual elements are developed so that they show what kind of product or service a brand provides. Slogans are related to the product features, and even the story line of a brand is about how qualitative the product is. Meanwhile, there are very few brands which are managed in order to create a personal touch with customers and partners. Next most common topic for the story lines are traditions and history of the brands` or products` place of origin.

Internal branding is mostly executed through a visual element on documents, working equipment or employee`s clothes, while there are few brands which introduces employees with a brand during on boarding, trainings or materials such an internal magazine. Companies of the Technology industry, compared with other industries` values the importance of a creating successful brand name and slogan higher than the rest of the industries. Logo as well as other visual elements is valued higher by Health Care Industry. It is interesting that the Customer Service and Basic Materials industries emphasize the product features in the management of their brand elements. Especially the Customer Service industry could gain a lot if they started to engage their customers and partners also through adding a personal touch to their brands.

Brand is a new term in the Latvian economy and as the research shows for most of the companies it means, telling the world that their product is the cheapest or the most qualitative, instead of creating a long term bound with customers, partners and employees. The technology and the Customer Service use branding elements so that they are able to create long term relationships with the stakeholders more often than other industries. The most significant branding elements are those related to the visual bases of a brand, such as logo, visual representative materials and colors.

For the possible future studies it would be useful to see customers' perceptions of these brands, to see if Latvian customers would like that to see the personal touch with a brand or if for them the most important thing is that a brand represents its quality, price and nothing else at all. Also to analyze what are the elements which makes Latvian customers to be loyal to some brand. If this kind of study would be executed and if its results were combined with those of this research it would provide concrete suggestions, for companies how to manage their branding elements.

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APPENDICES

APPENDIX 1. Survey, translated

Original text in Latvian	Translated in English
BACKGROUND QUESTIONS	
1. Uzņēmuma pilns nosaukums	1. Name of the company
2. Informācija par uzņēmuma darbinieku, kas sniedz atbildes uz jautājumiem	2. Information about company`s representative who filled the application
3. Vieta kontaktinformācijai	3. What is your contact information?
IMPORTANCE OF BRANDING ELEMENTS	
4. Kā jūs novērtētu zīmola nozīmi Jūsu industrijā, runājot par eksportu?	3. How important does branding is in your industry?
4.1 nav nekādas nozīmes	4.1. Not important at all
4.2 nozīmīgi	4.2. Rather not important
4.3 kādreiz varētubūt noderīgi	4.3. Might be important at some points
4.4 nozīmīgi	4.4. Important
4.5 ļoti nozīmīgi	4.5. Very important
5. Kāda, Jūsaprāt, ir vizuālās identitātes nozīme eksporta veicināšanai?	5. How important Does visual identity is for your company (Logo)?
5.1 nav nekādas nozīmes	5.1. Not important at all
5.2 nozīmīgi	5.2. Rather not important

5.3 kādreiz varētubūt noderīgi	5.3. Might be important at some points
5.4 nozīmīgi	5.4. Important
5.5 ļoti nozīmīgi	5.5. Very important
6. Kāda, Jūsaprāt, ir vizuālās identitātes nozīme eksporta veicināšanai? [b. Uzņēmuma reprezentācijas materiāli (bukleti, vizītkartes, produktu katalogi)]	6. How important does visual elements are in business activities? (Representative materials)
6.1 nav nekādas nozīmes	6.1. Not important at all
6.2 nozīmīgi	6.2. Rather not important
6.3 kādreiz varētubūt noderīgi	6.3. Might be important at some points
6.4 nozīmīgi	6.4. Important
6.5 ļoti nozīmīgi	6.5. Very important
7 Kāda, Jūsaprāt, ir vizuālās identitātes nozīme eksporta veicināšanai? [c. Digitālie rīki (mājas lapa, profili sociālajos medijos, digitālās aplikācijas)]	7. How important dies visual elements are in your business activities? (Social media, homepage digital applications?)
7.1 nav nekādas nozīmes	7.1. Not important at all
7.2 nozīmīgi	7.2. Rather not important
7.3 kādreiz varētubūt noderīgi	7.3. Might be important at some points
7.4 nozīmīgi	7.4. Important
7.5 ļoti nozīmīgi	7.5. Very important
8 Kāda, Jūsaprāt, ir zemāk minēto zīmola paņēmieni nozīme eksporta veicināšanai? [a. Nosaukuma maiņa izrunājamības/uztveres vienkāršošanas nolūkā]	8, how important does the following branding elements are for companies export activities? (name, and its adaption to the export market)

8.1 nav nekādas nozīmes	8.1. Not important at all
8.2 nozīmīgi	8.2. Rather not important
8.3 kādreiz varētubūt noderīgi	8.3. Might be important at some points
8.4 nozīmīgi	8.4. Important
8.5 ļoti nozīmīgi	8.5. Very important
9. Kāda, Jūsaprāt, ir zemāk minēto mārketinga paņēmieni nozīme eksporta veicināšanai? [b. Dalība izstādēs ārvalstu tirgos]	9. how important does the following marketing elements are for companies activities? (participation in trade shows and expeditions)
9.1 nav nekādas nozīmes	9.1. Not important at all
9.2 nozīmīgi	9.2. Rather not important
9.3 kādreiz varētubūt noderīgi	9.3. Might be important at some points
9.4 nozīmīgi	9.4. Important
9.5 ļoti nozīmīgi	9.5. Very important
10.Kāda, Jūsaprāt, ir zemāk minēto mārketinga paņēmieni nozīme eksporta veicināšanai? [e. Komunikācija sociālajos medijos]	10. how important does the following marketing elements are for companies activities? (communication and interaction via social media)
10.1 nav nekādas nozīmes	10.1. Not important at all
10.2 nozīmīgi	10.2. Rather not important
10.3 kādreiz varētubūt noderīgi	10.3. Might be important at some points
10.4 nozīmīgi	10.4. Important

10.5 ļoti nozīmīgi	10.5. Very important
ANAGEENT OF BRANDING ELEENTS	
11. Kāds būtu jūsu uzņēmuma zīmola vēstījums vai rašanās vēsture?	11. what is the story line of your companies brand and its history?
12. Kas, Jūsaprāt, ir jūsu uzņēmuma zīmola unikalitāte?	12. What is the uniqueness of your brand?
13. Kādēļ izvēlējāties (izveidojāt) šādu vizuālo izskatu savam uzņēmuma zīmolam?	13. Why did company choose particular visual design of your brand?
14. Kā Jūs veidojat sava zīmola komunikāciju uzņēmuma iekšējā vidē un ārējā vidē?	14. How do you manage internal branding with your company?
15. Kas ir tās Jūsu uzņēmējdarbības vērtības (sadarbības prakse) Jūsu uzņēmumā, kuras īpaši novērtē Jūsu ārvalstu sadarbības partneri?	15. What do you this which are elements which are appreciated the most from your partners?