# Brand Building for Case Company

Case: Company X

Lahti University of Applied Sciences Ltd
Degree Programme in International Business

LEHTINEN, TANJA:               Brand Building for Case Company
                               Case: Company X

Bachelor's Thesis in International Business, 64 pages

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ABSTRACT

This thesis focuses on brand and brand building for a start-up company. A strong brand is known for its stories, values and desire to be a successful operator. When a new company starts to build a brand, it is much more difficult than rebranding an existing brand. The following aspects need to be taken into account: customer analysis (meaning their needs and wants), and competitor analysis, and understanding how to build a brand - which attracts consumers. By understanding competitors' strengths and weaknesses as well as opportunities and threats assists the new company to hit the competitors' weak spots and use them as the competitive advantage.

The thesis was carried out in cooperation with the case company. The author did her internship at the company in late summer and autumn 2016 and worked in the brand management team. The purpose of the thesis was to find a way to create a successful brand for the USA markets.

This thesis was implemented as a qualitative study. The theoretical part of the thesis analyses brand and brand building and company's external market area. Secondary data was collected from related literature, articles, and valid and reliable internet sources. Primary data was collected from the interview with the Case Company X's marketing manager and CTO. The empirical part examines the implementation of secondary data meaning in reality how to put those theoretical theories into action at this case company.

As a conclusion, Case Company X should perform different marketing activities starting from guerrilla marketing to invested campaigns in order to communicate with the consumers effectively. Diving industry is a niche market and to be successful in the US markets, it would be wise to create a brand.

Keywords: brand, brand building, brand equity, brand identity, branding, PESTE-analysis

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TIIVISTELMÄ

Tämä opinnäytetyö keskittyy brändin kehittämiseen start-up yritykselle. Hyvän brändin tunnistaa siitä, että sillä on tarina, arvoja ja halu menestyä. Kun brändiä lähdetään kehittämään alusta alkaen, paineet ovat suuremmat kuin vanhan brändin uudistamisessa. Uutta brändiä luodessa tarvitsee ottaa huomioon asioita, kuten asiakkaiden tuntemus, ja tehdä tutkimusta siitä, miten kilpailijat ovat luoneet omat brändinsä. Heidän vahvuuksiensa, heikkouksiensa, mahdollisuuksiensa ja uhkiensa tunteminen auttaa kehitettävän brändin luomisessa.

Tämä opinnäytetyö tehtiin yhteistyössä case yrityksen kanssa. Tutkimuksen tekijä oli kyseisessä yrityksessä työharjoittelussa loppukesän ja syksyn 2016 ajan, ja toimi siellä brändin kehityksestä vastaavan tiimin apuna ja tukena. Tutkimuksen päätavoitteena on luoda menestyvä yritysbrändi Yhdysvaltain markkinoille.

Tämä opinnäytetyö on laadullinen tapaustutkimus, joka on jaettu teoria- ja empiriaosuuteen. Teoriaosuus käsittelee brändiä konseptina, brändäyksessä ymmärrettäviä ja osattavia näkökulmia, sekä yrityksen markkina-alueanalyysin. Empiriaosuus sisältää ehdotuksen brändin rakentamisesta teoriaan nojaten kyseessä olevalle yritykselle. Lähteitä kerättiin teoriaosuutta varten kirjallisuudesta, artikkeleista sekä luotettavista Internet lähteistä. Lisäksi on haastateltu yrityksen Markkinointimanageria ja Teknologiajohtajaa.

Yhteenvetona voidaan todeta, että case yrityksen tulisi käyttää brändinsä rakentamisessa useita erilaisia markkinointikanavia, alkaen sissimarkkinoinnista aina investoituihin kampanjoihin. Yrityksen brändin rakentaminen hyödyttää varsinkin silloin, kun yritys on suuntaamassa toimintaansa Yhdysvaltoihin, missä brändit ovat suosittuja ja nähdään luotettavampina kuin brändäämättömät yritykset.

Asiasanat: brändi, brändi identiteetti, brändipääoma, brändin rakentaminen, brändäys, PESTE-analyysi

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# 1 INTRODUCTION

This chapter introduces the background of the thesis and explains the methods used to complete the research. The research questions are presented and explained. Also, the idea and motivation behind the thesis are explained.

## 1.1 Thesis background

The topic of the thesis is brand and branding for a foreign market. The author of the thesis is interested in branding and customer behavior around different brands. The author's interest towards the subject, an internship with the case company, and close work with the subject were the reasons to start the thesis about the subject.

Brands are interesting concepts. The fact how consumers attach themselves to some specific brands is a remarkable advantage for companies. It also sets pressures for the companies to be successful every day and to want to do branding properly.

Brands are not just the logo, website or great slogan. The brand is the company's voice in the markets and it is also a promise to consumers. Brands, with a strong story and values that easily connect to consumers' everyday lives, are the key factors on how a specific brand gains trust and reliability. Still, the most successful brands are those that tell their story and share their values in a way that speaks to their target customers. The company that creates the best brand with deep characteristics, values and story is the most powerful one on the markets. (Cosper 2015.)

## 1.2 Thesis objectives, research question & limitations

The thesis is a qualitative case study, focusing on a start-up company's branding to foreign markets, more specifically case company's brand to USA's markets. The company is a start-up type of a company which has

started recently to build their brand. As a new company on the markets, it is highly important to come to the markets with a new innovation in order to gain customers quickly. A strong brand can help them grow faster and become a powerful operator in all the market areas that Case Company X is aiming for.

The thesis focuses on the concept of brand and how to brand directly to foreign markets. It will include the theory behind branding, provide a branding plan suggestion for Case Company X and include a market analysis of the target market.

To reach the aim of the research, the following research questions have been given for assistance. The main research problem is:

**How to create a successful brand to USA markets?**

The sub-questions to assist the main research question are:

1.      How does brand identity, image and personality differ from each other?

2.      What is a brand equity?

3.      How to build a brand?

4.      How does the specified market area affect the Case Company X?

The thesis focuses on the case company's situation and therefore the thesis cannot be assumed to be applicable to all industries and companies. Further, thesis will concentrate on branding, competitor analysis, and market area analysis; the customer analysis will be intentionally left out and customers are only mentioned in some parts of the thesis.

## 1.3   Theoretical framework

The aim of the thesis is to provide a suggestion for the case company of their brand building in order to gain success in their target market area. Branding in Finland in general has not been an important role of company building. However, in foreign markets, brands are usually those players which gain the profit, and as the case company is aiming to be a big player in foreign markets, it is important to build a strong brand which can be adapted to several markets.

Brand building is a time-consuming action and if the brand builders aim to build a strong brand, which has dimension and depth, it is important to use the time. The thesis includes only a suggestion for the case company of how the brand could be built so that it can be a strong player in the market field. A SWOT-analysis has been used to understand the competitors and also the case company's present and near future situation. When the present situation is clear, it is important to make long-term plans for the brand. Brand strategy aims to create this long-term plan by focusing on characteristics of the brand. Brand implementation is where all those characteristics are put into action.

As the thesis is about brand building to a foreign market, it is important to consider the external market area analysis. It is done by using the PESTE-analysis, which focuses on political, economical, socio-cultural, technological and environmental issues in the specified market area. This kind of wide analysis gives a thorough view of the market area, and when the company has considered all those aspects and is aware of the situation inside the market area, they can better respond to consumer needs and wants in that area. Furthermore, they are aware of the available technology and political and economic situations in the area.

## 1.4 Research methodology & data collection

As the thesis is a qualitative case study, a qualitative approach has been used. Qualitative research aims to gather data through observing and interviewing the subject. (Wyse 2011.)

In the thesis, the goal is to find out how to build a successful brand for a specific market area. To find the answer to this question, the qualitative approach is used.

Data was gathered by searching information about branding and brand building from published books and also from trusted, reliable internet sources. This is called a secondary data gathering. As primary data, and for the thesis, one interview was carried out with the Case Company X's marketing manager and CTO. The interview was done as face to face meeting, allowing the person to answer freely.

## 1.5 Thesis structure

Figure 1 represents the thesis structure. It is provided for a reader to get the understanding of the upcoming chapters and subject of matter.
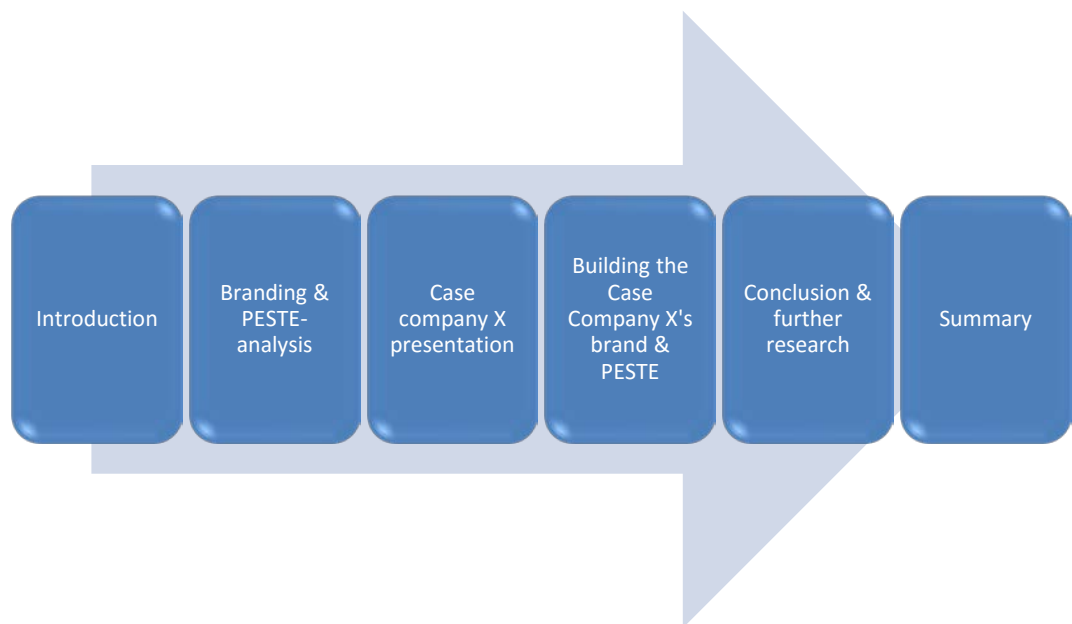


FIGURE 1. Thesis structure

The thesis is divided into two main parts: theoretical and empirical. Before the theoretical part, in the very beginning, there is an introduction chapter which presents the idea and purpose of the study. Research questions and research methodology are presented in this chapter.

After the introduction, in Chapter 2 about branding, two concepts are introduced. First the concept of branding and from what elements the brand is built. Second is discussed concept of external market area analysis, which in this case is the PESTE-analysis. This chapter contains the theoretical part of the thesis.

The empirical part is divided into two chapters. Chapter 3 is where the case company is presented, and its existing brand building actions are introduced. Chapter 4 consists the brand building suggestions for the case company and external market area analysis for the brand.

The last two chapters finalize and conclude the thesis project whereby Chapter 5 answers the research questions, and provides some future research suggestions. At the end of the thesis, Chapter 6 summarizes the thesis project, followed by the list of references.

## 2  BRANDING

In the following chapter the concepts around the brand, the meaning of brand identity, brand image, and different brand building concepts are described in more detail.

### 2.1  What is a brand?

West, Ford, and Ibrahim (2010, 190) define a brand as "brand is what identifies the company selling goods and/or services". The brand is not just a product or service but all those elements which differentiate it from its competitors, like a name, symbol, word, sign, design or a combination of them (West et al. 2010, 215).

Riezebos (2003, 32-33) defines brand to be all those symbols which are able to separate goods and services from a company. Here symbols mean words, slogans, pictures, and marks, or a name, which can be seen to be different from goods. Ordinarily, a brand's name is the one single element which consumers recognize. A brand's sign or logo is another recognizable feature, which differentiates the brand from a product. (Riezebos 2003, 32-33.)

One more definition for a brand is made by the International Organization for Standardization (ISO 2010, 2.2). They define branding as,

> a marketing related intangible asset including, but not limited to, names, terms, signs, symbols, logos and designs, or a combination of these, intended to identify goods, services or entities, or a combination of these, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits/value. (ISO 2010, 2.2.)

If the company starts as a domestic operator, it might at some point want to globalize itself to be an international operator. This causes pressure for companies to produce a global product, which can be delivered to all the new foreign markets. (Keegan 2014, 296-297.) That is why it is important to think about globalization from step one so that the concept is ready with small, or no changes for the foreign markets.

Figure 2 seperates the brand from a product to better understand the specific characteristics of each. The product has some aspects, such as scope, attributes, quality and uses. The brand also has those aspects, but in addition, it has many more characteristics which make it unique, such as organizational associations, personality, symbols, and relationship with the customers, emotional and self-expressive benefits, user imagery and country of origin. (Aaker 2002, 73-74.)

**Brand**

Organizational Associations

Brand Personality

Country of Origin

Symbols

**Product**
Scope
Attributes
Quality
Uses

User Imagery

Brand-Customer Relationship

Self-Expressive Benefits

Emotional Benefits
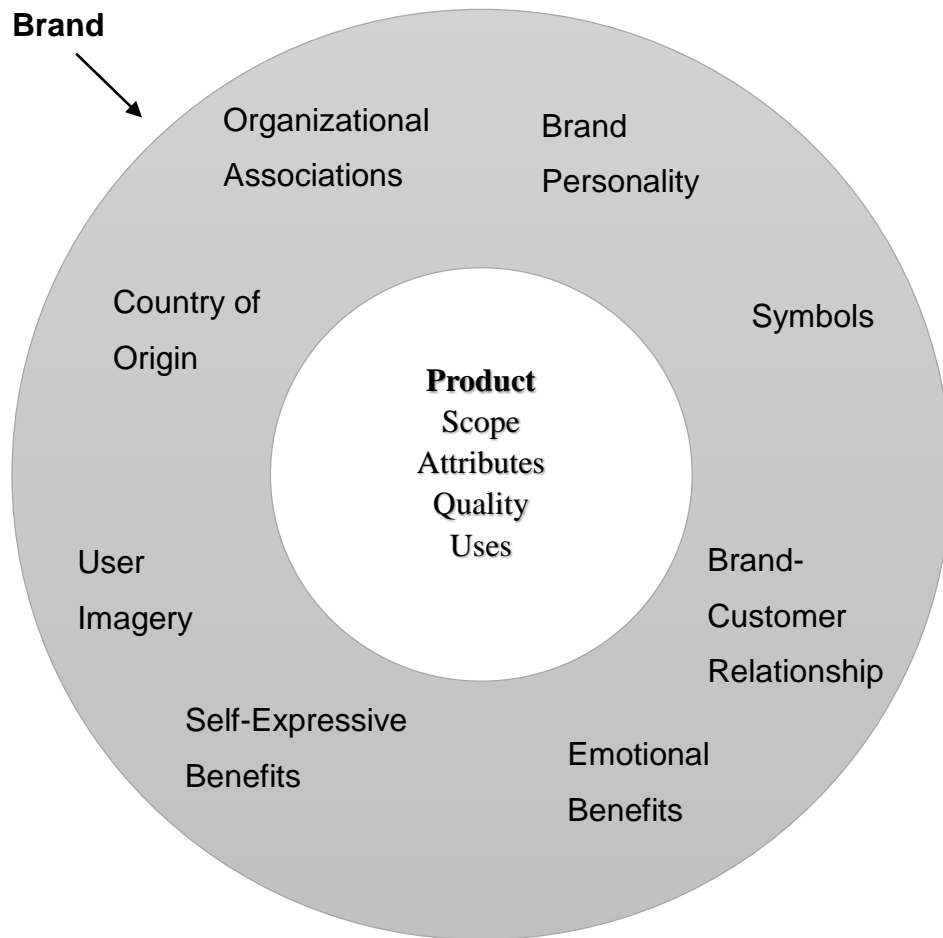
FIGURE 2. A brand is more than a product (Aaker 2002, 74)

Johansson and Carlson (2015, 5) compare brand to a person in a way that when a new baby is born, s/he is given a name and s/he starts to grow. As s/he grows older, s/he may gain a name, reputation and end up being a mature grown up with well-known actions and identity.

What makes a name transfer into a brand is the legal protection the brand has in its name against competitors. Although the competitors may have access to similar technology, or they can create the same kind of service,

they still cannot adopt the name which is protected. (Johansson & Carlson 2015, 5.)

## 2.2 Brand identity, image & personality

It is important to understand the difference between brand identity, brand image, and brand personality. All these three concepts have important roles in brand building and management of the brand. (Johansson & Carlson 2015, 6.)

Brand identity is created by the organization in question. What the organization aims to do is to create personal characteristics with what it wants to be identified with its target customers. This is what makes the brand unique and what differentiates it from its competitors in the market. (MSG 2016a.)

Brand identity includes concepts such as brand vision, culture, position, personality, relationship, and presentations. It is the symbol, logo, trademark and tagline. To put into one sentence, brand identity is what it promises to be for its consumers. (MSG 2016a.)

Brand image is how the organization's consumers see and persuade the brand. Brand image is a good way to measure how well the brand identity has worked to create unique characteristics, and how well the consumers have adopted them. Brand image's idea is to get the consumers to purchase the image, which correlates with the product, and because of that, the image should be positive and unique. To affect the brand image, the organization can use communication tools such as advertising, packaging, and word of mouth publicity – the so-called guerrilla marketing. (MSG 2016b.)

Brand personality is the aspect of branding which speaks and behaves. Its only task is to be the personification of the brand. To put into one sentence, brand personality means all those experiences the consumers have had with the brand. When brand image aims to bring physical associations with the brand, the brand personality aims to stay on the

emotional level in the consumers' mind. Brand equity is what develops from brand personality, and those two should not be misinterpreted. (MSG 2016c.)

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┌─────────────┐     ┌─────────────┐     ┌─────────────┐
│ Brand is    │     │ Brand       │     │ Brand       │
│ born and    │ ──▶ │ image       │ ──▶ │ personality │
│ its identity│     │ emerges in  │     │ develops    │
│ is defined  │     │ consumers'  │     │             │
│             │     │ minds       │     │             │
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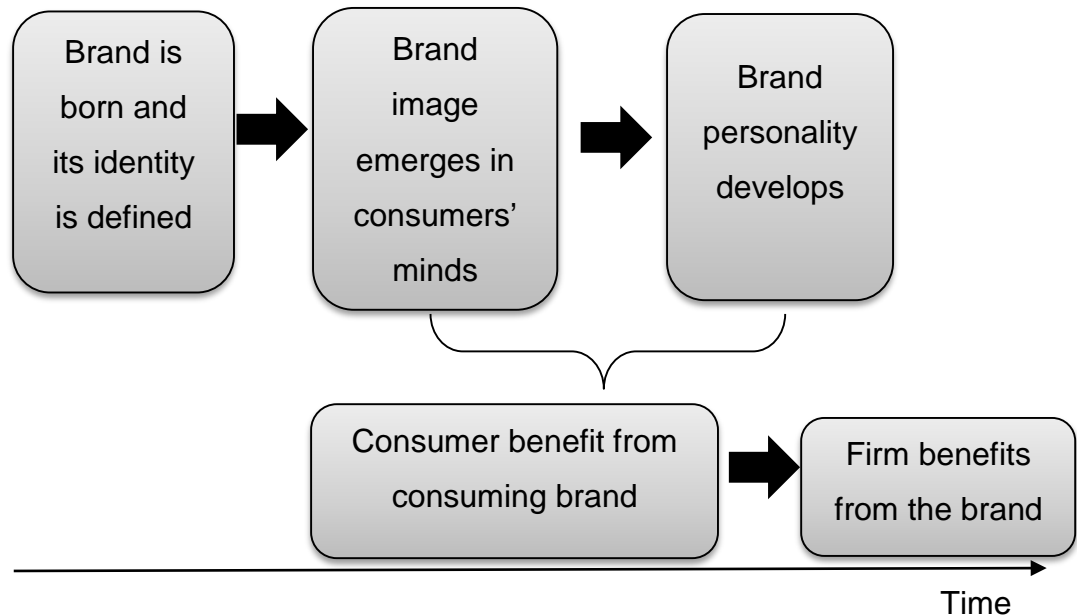
FIGURE 3. Evolution of a strong brand (Johansson & Carlson 2015, 6)

As it can be noticed from Figure 3, Johansson and Carlson has well demonstrated a timeline where the development of the brand, and its identity, image, and personality has become strong over time, and how the organization benefits from it.

## 2.3   Brand equity

Brand equity comes in question when consumers are choosing between the product or service provider. As stated earlier, in Chapter 2.2, brand equity develops from brand personality. The consumer has some favorable, positive vibe of a brand, which leads him or her, again and again, to purchase the same product or service. (MSG 2016d.)

Aaker (2002, 7-8) defines brand equity as,

> a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm's customers. The

major asset categories are brand name awareness, brand loyalty, perceived quality and brand associations. (Aaker 2002, 8.)

As is said in the definition, brand equity is a set of assets which means that the management of those assets needs investments to create and improve those assets. Further, because there are numerous brand equity assets, all those assets create the value in various ways. (Aaker 2002, 8.)

Four major categories include brand name awareness, loyalty, perceived quality and brand associations. Brand name awareness means how strongly a consumer is familiar with the availability of a certain product. Brand recognition and brand recall are part of brand awareness. Brand recognition measures how well a consumer can differentiate the brand from competitors when s/he has some previous knowledge of it. Brand recall means that a consumer is able to recover a memory of a brand when a certain product category is mentioned. (MSG 2016e.)

The second major brand asset is brand loyalty. It can be measured by an assumption, how likely would a consumer change to another brand if there are some changes in quality, price or features. The brand loyal customer is willing to pay the higher price of the product or service and is less responsive to competitive moves the brand may need to make in order to stay in the markets. It is also good to remember that brand loyalty is a post-purchase action. Knowing the market and target customers' needs is vital in order to gain brand loyalty. (MSG 2016f.)

The third brand asset is perceived quality. It is the whole quality concept the consumer has of a brand. In this context, the consumer evaluates the quality standards s/he has and compare the brand's product to other brands' products. Here again, the organization must understand its consumers' needs because rarely, if ever, the consumers have time and effort to look and compare all the quality related issues of all the products on the market. Consumers choose two basic features and compare the products according to those and choose the one which best matches his or her standards. (Aaker 2002, 17-20.)

The fourth asset is brand associations. Brand associations are strongly linked to brand's identity – meaning those values which the organization wants its consumers to get out of a brand. (Aaker 2002, 25.) In order to have a great brand association among consumers, the brand should link to positive associations. Often a strong association comes from a trustworthy, reliable and desirable product which the consumers cannot resist. (MSG 2016g.)

If the organization wants to create a strong brand, the focus should be in strong brand identity. Through brand identity, the whole brand is stronger for both the customers and for the organization itself.

## 2.4   What elements form a brand?

The brand is a complex concept, where the destination is not the answer to success. The brand building needs time and effort from creators from the very beginning if they want to create a brand which is successful now and in the future. (Distility 2010.)

Brand analysis, strategy, and systems are at the same time very different concepts but it is vital to at least consider all those, although marketers and brand creators would not use them in actual branding. In short, the brand analysis is where the business is right now. Brand strategy is where the business is going and brand system points out all those aspects which display how the business gets there. (Distility 2010.)

**Brand Analysis**

The Brand analysis shows where the brand is right now. Here we handle brand analysis which includes customer analysis, competitor analysis, and self-analysis, in more depth.

The Brand analysis includes three main elements; customer analysis, competitor analysis, and current brand audit. The goal of the brand analysis is to create a relationship with the customers, understand

competitor's strengths and weaknesses, and develop and utilize own strengths against competitors. (Aaker 2002, 190.)

The brand must first understand target customer trends, needs, motivations and existing perceptions of the brand category before entering a market (Aaker 2002, 190). If the brand does not offer products or services which match the customers needs, it is more certain that the customer will choose the other brand (De Chernatony 2006, 205).

For a brand, which is seeking to new opportunities, it would be valuable to consider those needs, which customers have, but which have not yet been met by the competitors. To provide these unmet needs is a good opportunity for brands to take the market lead, and grow the relationship with the customers (Aaker 2002, 193).

There are two types of motives which drives the customers to buy and use a certain product or service: rational and non-rational motives. Rational motives which affect buying habits are, for example, price, durability and economy. Pleasure, comfort and luxury are examples of non-rational motives. For brands, it is important to understand those motives which drive the customers to spend money in order to develop the products, in a way that it satisfies a customer's needs. (Onkvisit & Shaw 2009, 222.)

After the company has carefully studied the consumer analysis and understood the most important aspects of it, the company has to develop the same kind of analysis of their competitors. Elements to take into consideration are market and brand position, strengths and weaknesses. The SWOT analysis is usually the key in understanding a competitors' position, threats, opportunities, and furthermore, their strengths and weaknesses. (PESTLE analysis 2015.)

Before developing a competitor SWOT analysis, the company must identify its current competitors and potential future competitors. After this identification, the company would have to analyze their competitors' from a customer's point of view, and also, from their own point of view. In this way the company discovers where the competitors' weaknesses and threats

are, as well as, where the opportunities and strengths exist. The analysis helps the company avoid those parts where their competitor is strong. Furthermore, the company may compensate those parts where the competitor is weak, and use it against them. (PESTLE analysis 2015.)

It is easy for a company to evaluate its brand after it has done the SWOT analysis of its competitors. The aspects which it should concentrate on are current brand promise and image, its personality, history, values, strengths and weaknesses and relationship with other similar brands. (Aaker 2002, 196.)

By knowing the history of the company, and understanding its core values, here meaning what the brand first meant for its founders, the whole self-analysis is easy to start. In some cases, it would be wise to think of the brand heritage every now and then and evaluate it to see if the brand is on a right track to where it was meant to evolve in the beginning. (Aaker 2002, 196-197.)

Brand image's aim is to give customers a unique and strong illustration in order to strengthen the relationship between the brand and its customers. Customers get a brand image from direct experience in the shops, commercials, through conversations with other people, and from assumptions the consumers make from the logo, name and company's country of origin, places it operates in, events it is part of and even channels of distribution. (Keller 2008, 56.)

The existing brand image self-analysis is wise to make in order to understand if all those assumptions, word of mouth conversations and commercials are implemented and understood in a way so that it serves the brand well and gives a good image of it. It is important to not just look at the products or services the company produces, but to look deeper at those assumptions the consumers have of the brand and develop them. (Aaker 2002, 196.)

**Brand Strategy**

Brand strategy is about developing a long-term plan to help a successful brand to achieve its specified goals. With a well-planned brand strategy, the brand can reach its goals and prosper in the business. (Gunelius 2016.)

Brand identity basically means core identity and extended identity. Core identity, at its basic level, is central to the whole concept of the brand. It is meant to be immune to all the changes which may occur when the brand is brought to new markets and cultures. In some brands, the core identity can be seen on their slogan or logo. Extended identity, then, adds some flesh to the core identity. Extended identity shows what the brand actually is, and the bigger the extended identity is, the bigger the whole brand can be seen as from customers' point of view. Extension of a brand makes the whole brand more familiar and meaningful to customers. (Aaker 2002, 86-88.)

When thinking about branding, the organizations should consider the brand as a product, an organization, a person and as a symbol in order to guarantee that the brand has texture and depth. All those different aspects have different meanings and goals to enhance and differentiate the brand identity. However, there is no need for all the brands to utilize all those elements, but it is still wise to consider all of them to clearly understand how the customers see the brand, and how it speaks to them. (Aaker 2002, 78.)

Brand as a product

Some brands are associated with certain products. Especially, those brands who are leading the markets are strongly linked to certain product classes. When a brand creator is considering the brand as a product, its goal is not to bring the product category to audiences' mind when they hear the name of a brand. The aim is to bring the brand's name to the mind of an audience when they hear a specific product category. This is called a product scope, and it is one dimension (Aaker 2002, 78-80.)

Other strategic options are product-related attributes, quality or value, associations with users and use occasions and country of origin. Product related attributes usually bring functional or emotional benefits along with the purchase. Quality and value are elements which are seen to be something which comes to one's mind when they hear a brand name. Quality is often used as a core identity element in a brand's slogans. Value is strongly related to quality because it can be seen upgrading already good product with its higher price. Some brands are strongly associated with its country of origin. This usually brings along a good reputation, which makes the product valuable and desirable. (Aaker 2002, 80-82.)

Brand as an organization

No matter in which product category the brand is operating in, it will certainly at some point face competition. New innovations tend to be copied fast, or then new innovations are attracting only niche markets. If the brand is seen as an organization, it makes it much more difficult to copy, because it contains a special type of value, staff, and culture to produce a product. In this way, the business can protect its innovation and make it difficult to copy by competitors. (Aaker 2002, 115.)

Surely, when the brand is seen as an organization, and if the brand creators use this, it takes time and effort to create an atmosphere which is difficult to copy. Values and culture must be taught to staff so that they are able to serve the customers in a way that serves the brand values. However, by teaching the right values and culture to staff, it pays off when customers come back time after time. Also, the staff can be seen to be like an advertisement, which is a good reason to keep the staff well trained and motivated to work for a brand. (Aaker 2002, 115.)

Brand as a person

Brand personality is defined as a set of human characteristics associated with a brand (De Chernatony 2006, 212). When the brand is seen as a person, it brings interesting dimensions to the brand. This type of a brand identity strategy, where the brand is seen with many different qualities

such as casual, formal, active, or fun, brings the desired uniqueness to the brand. (Aaker 2002, 83.)

Some brands can be seen as some sort of status symbol, which makes a certain type of people buy them. This creates a strong and long-lasting relationship between a brand and a customer. Sometimes, when the brand is seen to be, for example, strong, it also makes the brand's product strong. Brand personality has a significant meaning to customers, which share the same values and characteristics with the brand. (Aaker 2002, 83-84.)

Brand as a symbol

There are three main symbol types which usually represents the brand: visual imagery, metaphors, and brand heritage. However, anything that can be related to a brand can be seen as a symbol. Having a symbol brings along recognition and structure to identity. (Aaker 2002, 84.)

Visual imagery is a memorable way to bring the brand to one's mind. Certain types of colors, packages, and pictures work as a visual imagery because only one glance can bring a strong image to one's mind. Metaphors and heritage have also a strong symbol status in a brand's identity. A good metaphor can alone bring a certain type of image of a brand to a customer's mind and heritage can enrich the brand image. (Aaker 2002, 84-85.)

A great metaphor, or tagline, can capture the essence of a brand, and bring value to it. Even though the tagline is only one of the advertising tools, it gives promise to consumers the same way as value proposition. In a short, the tagline should be created in a way, which explains the uniqueness of a brand to consumers. (Gaudet 2014.)

Value proposition

The Value proposition can be defined to be a positioning statement which explaines what benefits (functional, emotional and self-expressive) a brand is offering, to whom, and how it is done, in order to be unique. In brief, it

explains the brand's target customers, the problem which the brand has solved, and why the brand is better than its competitors. (Skok 2013, Aaker 2002, 95.)

Functional benefits are those benefits which are based on product features that brings functional utility to customers. Functional benefits have explicit contact to purchase decision, and user experience, which makes it a powerful element, because if the brand is dominating the functional benefits, it may dominate the whole product category. (Aaker 2002, 95-96.)

Positive vibes of a brand, and of its product, is called emotional benefits. These benefits conduct a deeper brand experience which then leads to stronger brand identity. Those brands which have both, functional and emotional benefits, are operating the strongest in the branding world. (Aaker 2002, 97.)

Those benefits in a brand's identity which raise a customer's self-concept, are called self-expressive benefits. Some brands provide benefits which lead to strengthening the relationship between the customer and his/her self-concept, and at the same time, the brand-customer relationship gets much more intensive. (Aaker 2002, 99-101.)

When value proposition is done effectively, it should lead to a long-lasting relationship between a brand and a customer which culminates a purchase decision. (Aaker 2002, 95).

**Brand Identity Implementation**

Brand implementation system has a three major stages: brand positioning, execution, and tracking. In the first stage, brand positioning, it is stated which parts of identity are actively communicated. Next, in the execution stage, the media which will be used in order to put the communication program in the action, is stated. The last stage, tracking, communication is monitored to see if the actions which are made are making a profit.  (Aaker 2002, 176.)

Brand position

The Brand position is brand identity's implementation stage. It communicates to target customers and indicates the advantage over competitors. Value proposition and brand identity can be effectively made when brand position exists and is clear. In brand position, communication with the target customers is extremely important. It also shows who the primary and secondary customers of a brand are. (Aaker 2002, 179.)

The brand position is the concept which is the reason the target customers purchase the brand's product over the competitors. To ensure the position is well made, the niche market must be well stated. The brand position comes from customers' opinions and views. (MSG 2016h.)

The brand position is also a competitive dimension. When brands are in question, the consumer makes a choice. But, when only products are in question, the consumer makes a comparison. The aim of positioning is to get an advantage over the competitors and take their market share. (Kapferer 2008, 178.)

Execution

It does not matter how well the positioning communication has been put in the action if the execution has not been implemented well. Execution should shock, entertain or involve the audience somehow in order to be outstanding. Still, that is not enough. The execution should also link the brand's name and position strategy somehow together. (Aaker 2002, 186.)

It is a good idea to have a lot of alternative communication execution ideas, than just one brilliant idea. Sponsorships, direct marketing, product shows, and packaging, are examples of alternative communication tools in different media platforms, which the brand should be thinking about. (Aaker 2002, 187.)

Tracking

There is no sense to plan a great positioning strategy and execution implementation if there is no tracking and measuring of how those efforts are performing. Tracking can be anything from quantitative surveys to qualitative surveys, as long as the performance can be measured objectively, and it shows if the efforts of the position are making any profit (Aaker 2002, 189).

## 2.5   How to build a brand?

Brand building starts from a foundation, as any new beginning. It needs to develop an identity, image, and personality which are explained in previous chapters. Identity is created to reduce functional risk, in other words, solves the problem the customer has. With a strong identity, it can solve the problem in a credible and reliable way. Further, to reduce psychological risk, the customers must have an image in their mind that the brand is able to solve their problem. Then, to improve self-expression, the brand must set up its own personality. (Johansson & Carlson 2015, 82.)

As it has become quite clear, the identity is the key in the brand building. Identity is the one element which guides the development process and coordinates the tactical programs. The identity must have a core which is detailed, well-defined, and identity also needs a value proposition. Brand creators must also think about a brand's future while they are developing the brand, to prevent the brand ending up being meaningless or forgetting the core values. (Aaker 2002, 341.)

In case where the new brand on the market involves a new innovation, the brand must educate its customers about the benefits of it (Johansson & Carlson 2015, 82). Those aspects must be thought through before launching the new innovation because otherwise there are no customers who are willing to adopt the innovation.

Brand building is about to build a brand identity. The brand builder must take a close look at its customers, competitors, and itself, and analyze those aspects. The next step is to implement the brand identity system, where the core and extended identity are structured, and value proposition is established. This is the brand-customer relationships foundation. When those have been done, the next step is to create a credible communication system by thinking about the brand position, and how to execute and measure it. (Aaker 2002, 177.)

2.6   Advantages and disadvantages of branding

Branding is relatively new action, which the marketers has taken to their toolbox. It indeed has some benefits, but because all the brands are aiming to number one position in their customers' mind, it certainly has some disadvantages too.

Good branding and identity creation certainly has it benefits. It makes the customers aware of the brand and down to its products. International brands are known all around the globe, and when consumers are travelling they can rely on familiar brands in foreign countries. (Lauren 2016.)

Another advantage is the presence in the marketplace. Longer the brand is in the markets, the longer it can be seen as a consistent, and reliable brand. The consumer who has seen the brand awhile in the markets is more easily to purchase the product because the consistency is remarkable and it gives an idea that the product must be good. (Lauren 2016.)

Familiarity and reputation can also be a negative side for brands. If the consumers are facing some negative events with the product or service, the brand is the one who suffers from it. One wrong move, for example in the marketing campaign or production, can cause harm, not just to brand, but also brand image, which is in their consumers' minds. Mistakes stay in

the consumers' mind, and it can harm the brand-customer relationship permanently. (Lauren 2016.)

2.7    PESTE-analysis

PESTE-analysis is an extended version of PEST-analysis. PESTE stands for Political, Economical, Socio-cultural, Technological and Environmental factors, presented in Figure 4. This kind of analysis assists companies to understand all the external factors, which are affecting their business. (Arline 2014.)
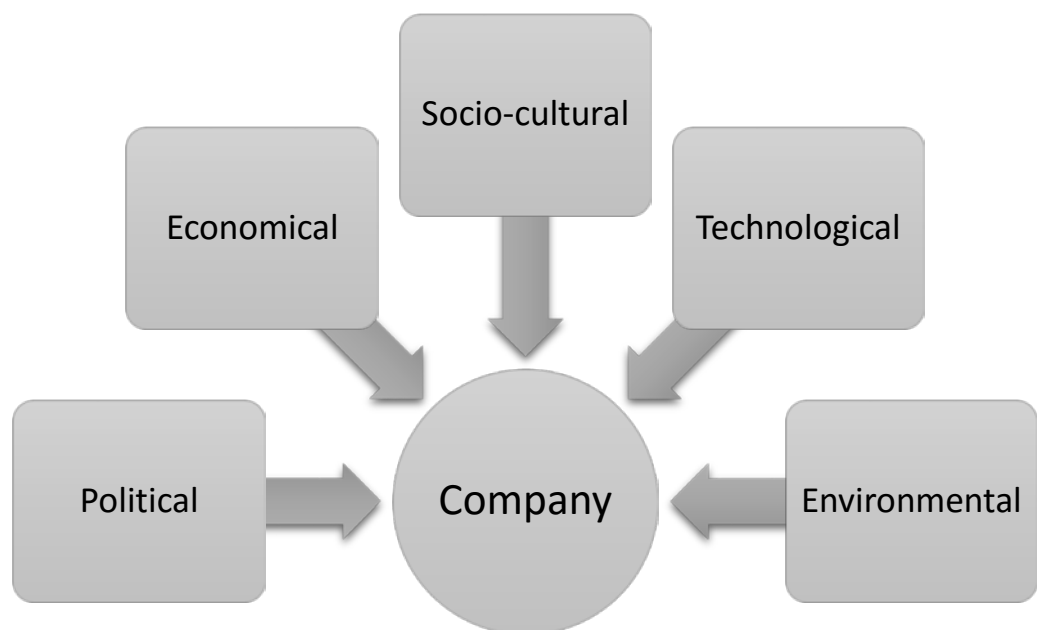
FIGURE 4. How PESTE-factors affect company

PESTE-analysis assist companies to make the right decision at the right time. It helps to predict future by analyzing the present situation and information available right now. (Arline 2014.)

Political factors are issues which affect to companies' profitability and success, through government regulations and legal issues (Arline 2014). Those factors may change, for example, by the upcoming elections in local, state or national level, pending legislation and taxation issues, trends toward business regulations or deregulations, and by governments' approaches to corporate policies and customer protection legislations

(Mind Tools 2016). Those, and various of other political issues are affecting to company's external environment.

Economic issues to consider are exchange rates, inflation, economy growth and economic stability (Arline 2014). Changes in the company's home economy, as well as the foreign economy, not to forget general taxation issues, and market and trade cycles, or customer drivers, are all affecting companies' economy (Chapman, 2016). Those issues need to be considered at all times, because the world is changing every day, and even though the economy may seem to be stable today, it might not be the same tomorrow, as an example.

Socio-cultural factor assists the company to understand the trends and other drivers, which leads consumers to purchase decision. Some big socio-cultural issues are age distribution, ethical beliefs, education, and lifestyle. (Arline 2014). Brand image and role models are also big factors nowadays, because brands are made to affect to purchase decision, and some well-known role models, such as celebrities and sports stars, have a big impact on consumers buying behaviors (Chapman 2016).

The Internet, among other technological actions, plays a big role in technological factors, which affects to companies' business. Basically, all those technological issues, which affects to companies' ability to deliver their goods or services to markets, are the factors to consider (Arline 2014.) Furthermore, companies should analyze future technologies if there are anything, which could be used in the production, or directly in the products, or if there are any changes that the competitors could come up with some technology innovation, which assists their situation against other producers (Mind Tools 2016).

Environmental factors in PESTE-analysis are, for example, climate and climate change, water and air pollution, and availability of non-renewable goods. In other words, environmental factors are all those physical things related to Earth and its condition, and resources available. (Bush 2016.)

These factors are applied to practice from the case company's point of view in Chapter 4. In the next chapter the case company will be introduced to the reader and the current branding efforts are analyzed.

## 3    CASE COMPANY PRESENTATION

This chapter will provide a company overview of the case company X and its objectives and the current state of branding.

### 3.1    Company overview

Case Company X is a Finnish company, located in Lahti and Tampere. Company X provides a personal navigation system for SCUBA (self-contained underwater breathing apparatus) divers, and its final product can be found at the markets during the years 2017-2018, starting in Germany. (Marketing manager 2016.)

The company started from an innovative project and is now at the stage where the final product is about to be released. The main market area, where half (50%) of the target customers are located, will be in North-America. Europe's market will be about 30% (including Germany, France, UK, Spain and Italy) of all markets, and Australia will be about 4%. Asia is a growing market area because the awareness and popularity there has been increasing, and for the company, it will be a big market area in the future. (Dema 2016; Marketing manager 2016; Company CTO 2016.)

Case Company X's technology will be priced in the top 5% of diving instruments' price category. However, all the diving instruments are expensive, and from the same price category customers will find, for example, some regular dive computers. (Company CTO 2016.)

The median customer for the company is middle-aged male divers. In fact, 80% of all divers are male. Disposable income for the median customer is about $100k, they are married and educated. (Dema 2016.) However, the customer analysis will be left out from the thesis, because it has not that significant matter in the thesis, and it has been analyzed by the Case Company's staff already.

3.2   Company objectives

Case Company X's objectives are gathered in Table 1 below. There the mission represents the company's current values and vision represents the future insight.

TABLE 1. Case Company X's mission, vision and objectives (Marketing manager 2016; Company CTO 2016)

| Mission | Vision | Objectives |
|---|---|---|
| To make it possible for SCUBA divers to navigate underwater, which adds enjoyment, adventurous and stress-free diving to all divers worldwide | Become a market leader in underwater navigation technology provider through high-quality, reliability and customer-orientation | Seek a constant growth in the new market areas and in the different diver groups |

The mission is gathered from the core values which are for Case Company X (Marketing Manager 2016; Company CTO 2016):

- Adventurous
- Ventures
- High-quality
- Nordic values
- Heritage in science

Case Company X aims to the markets with its heritage, high-quality and Nordic values, which are mixed with adventurous and ventures aspects. As the diving industry is full of companies and brands, which bring palm beaches and warm water imageries to their adverts, Case Company X aims to bring a little cool and fresh environment there. Nordic values mean equality, democracy, fairness and high level of trustworthiness, as well as,

Nordic environmental scenarios. As Finland is widely seen as a reliable, high-technology country, it should be present in branding. (Marketing manager 2016; Company CTO 2016.)

Case Company X's dive computer adds stress-free features to diving, because with the product the diver knows exactly where s/he is underwater at all times and has access to other regular features the dive computer has. Until today, navigation underwater has been made with a compass, and still the diver might not know the exact place where s/he is. (Company CTO 2016.)

## 3.3  Current branding efforts

Case Company X started to build the company brand slowly and steadily. The name and logo are established already, and now the Case Company X's marketing department is creating the company brand at a fast pace in order to be ready for the product launch and entry to markets. (Marketing manager 2016.)

Case Company X team includes people who have knowledge about the company building, so the know-how is on steady ground. However, the world is changing, and the concept of brand has some complexity which is the motivator of the thesis. It is good to know the concept of brand, and its heritage, and furthermore understand from which elements the brand forms itself.

All the help, when it comes to company brand building, is more than valuable to the company. The brand is still incomplete, and as a start-up company, Case Company X has all the possibilities to create a successful brand to all the markets where it will operate in the future.

In the next chapter, the brand building for the case company will be introduced according to the findings in Chapter 2. Also, the external market area analysis of the case country will be provided for the case company.

4    BUILDING CASE COMPANY X'S BRAND

In this chapter, the well-defined branding plan for Case Company X will be conducted by using the branding elements and targeted to selected market area by using PESTE-analysis which were introduced in Chapter 2.

## 4.1   Brand analysis

In order to gain customers' trust, and create a relationship with them, Case Company X must first analyze its competitors and implement self-analysis, to understand where the company is right now. Here we use the SWOT-analysis to find out the competitors' strengths and weaknesses, as well as threats and opportunities. SWOT-analysis will be used for self-assessment as well.

### 4.1.1   Competitor analysis

Competitors in this analysis are those companies, which are producing the dive computers. Competitor 1 is a Finnish producer, which has been on the markets a long time already. In fact, the first dive computer was made by them, and still today, this company is one of the biggest and most respected dive computer producers in the market field. Competitor 2 is a part of a global leading outdoor company and has been in the industry a long time. Competitor 3 is an Italian operator and Competitor 4 is a French-based operator. Both have been producing dive computers a long time and have been in the industry as long as the other competitors with some other diving equipment.

In Table 2 below, a SWOT-analysis of competitors is provided for the reader to understand the concept better.

TABLE 2. Competitor analysis

| Strengths | Weaknesses |
|---|---|
| • Know their customers<br><br>• Good relationship with customers<br><br>• Well-known brands<br><br>• Reputation<br><br>• Niche market<br><br>• Diving equipments have long life cycle ~15-25 years<br><br>• Knows the market area and how to operate there<br><br>• Existing distribution channels<br><br>• Ability to answer quickly to market changes | • No new innovations<br><br>• No innovative environment (stuck with old products)<br><br>• Diving equipments have long life cycle ~15-25 years<br><br>• Niche market<br><br>• Old marketing habits<br><br>• Product recalls |
| **Opportunities** | **Threats** |
| • Co-operation with other companies or other operators | • Pollution of waters and other damage of environment in diving locations<br><br>• New innovations from competitors<br><br>• Changes in travelling safety |

Competitors' clear strengths are on their knowledge of the customers. They are aware of their needs and wants and they have gained a reputation and brand loyalty among the target customers. Also, the competitors have the ability to answer the market changes quickly because they own the markets. Also, the existing distribution channels are a great asset for them.

A niche market is also a strength for the competitors. Niche market usually means that there is a great barrier for new operators to enter the market, because the more operators there are, the smaller is the market share. Also, the long product life cycle can be seen as a strength.

However, as it is stated in Table 2, there are some weaknesses. The lack of new innovations is remarkable. The companies on the field do small incremental enhancements to their products, such as to components, with materials and colors, and to software. However, the fact that the life cycle of dive equipment is long, lasting many years, it might be one reason for new innovations lacking badly.

The diving industry is itself quite a niche market. However, diving is gaining popularity, especially in Asia. The diving itself does not need that many investments so basically anyone can go and dive. However, it does require a basic course and some equipment which may affect the popularity of diving and threshold to go to a diving course. There are a lot of equipment providers on the market which does not attract new competitors, which then leads to a lack of competition and then down to a lack of new innovations and customer interest. Everything affects everything.

One big opportunity competitors have is the possibility to co-operate with other providers. Especially during difficult times, some companies may face a variety of problems which affect their business. In a niche market, it would be wise to help each other through difficult times. Fusions and corporate sales are not rare in this business field, either.

Pollution will be discussed in more detail in the PESTE-analysis Chapter 4.4. It is quite a big threat to competitors and to the whole industry. Other environmental threats such as changes in traveling safety, especially in the Middle East and Africa, are present in threats. Also, other environment damages in dive locations are possible and visible. Lastly, one great threat for competitors is the fact that someone come up with new, revolutionary innovation which changes the whole industry and the ones who are not ready for it are left behind.

### 4.1.2 Self-analysis

Case Company X's self-analysis is conducted the same way as competitor analysis, meaning the use of SWOT-analysis, and Table 3 below provides a better understanding of it.

As it can be noticed from Table 3, Case Company X's strengths rely on technology and innovation. In Case Company X, there are people who know a lot about technology and are able to put that knowledge into action. Further, there are people who are divers and know what the diving industry is missing. They have a lot of trusted contacts which are able to help set the distribution and get Case Company X to the markets in all market areas. Also, the niche market is an advantage to Case Company X because it increases the entry level for competitors to try to have the same kind of innovation and become a straight competitor. The last but not least strength for Case Company X is the country of origin, meaning Finland. Finland is known for technologies and innovations. In fact, Finland's nation brand has been in top 10 of strongest brands in the past years according to Brand Finance (2016) research.

Case Company X's weaknesses are their location and size. Competitors are quite big companies which have a reputation and have gained brand loyalty among the consumers. The competitors are also located near their customers. It has some significant competition advantage against Case Company X which is located in Finland. However, because the main

market area will be in North-America, it has been discussed that there will be, at some point another office and other important operations.

TABLE 3. Self-analysis

| Strengths | Weaknesses |
|---|---|
| <ul><li>Knowledge of SCUBA diving</li><li>Understand of customer needs</li><li>Technology know-how</li><li>Contacts</li><li>Niche market</li><li>Country of origin</li></ul> | <ul><li>Small company</li><li>New on the market area</li><li>There are always weaknesses when technology and water are mixed</li><li>Location</li></ul> |
| **Opportunities** | **Threats** |
| <ul><li>The whole navigation market area is free from straight competitors</li><li>Customers are ready for the product</li><li>Co-operation with other operators</li><li>To get to know the underwater world</li></ul> | <ul><li>Customers do not understand the product</li><li>Customers rely on the compass rather than a new technology</li><li>Competitors might be able to copy the product or some parts of it</li><li>Pollution and other damage of environment in diving locations</li><li>Changes in travelling safety</li></ul> |

Opportunity for Case Company X is that there are no clear competitors and the future seems also be clear from them. It is the result of highly technical product which is hard to copy (or at least it takes many years and investments for competitors to copy the innovation) and the branding is aimed to implement so that it makes it even more difficult to copy the whole concept. Another opportunity is that customers are ready for this kind of brand and product. The brand itself brings something new to the familiar industry and the product is something which has had a demand for a long time already. Cooperation with universities, maritime archaeologists and biologists, and also with other companies, can also be seen as an opportunity.

This product changes the navigation system underwater and all the divers can use it from recreational divers to technical divers. Co-operation with the operators, who are interested purely in the technology behind the device, and also with those who are using it as an everyday gadget, would be interesting, and bring a good reputation for Case Company X.

Some threats would be, for example, with the customers who are not trusting this kind of technical product, and does not want to change the old navigation habits they already have underwater. Also, one threat for Case Company X is that competitors try to copy the product. It is, however, very unlikely in this kind of niche market. Co-operation and licensing are much easier answers if competitors want to get this product in their portfolio. Lastly, as mentioned before on the competitor analysis section, pollution is one big threat and it is discussed more in the PESTE-analysis chapter. However, other environmental threats such as changes in traveling safety, especially in the Middle East and Africa are possibly affecting the case company. Also, threats such as environment damages in dive locations are possible and visible. These last concerns are possible as well for the competitors, presented in Table 2.

## 4.2   Brand identity

After a careful competitor and self-analysis, we can define the Case Company X's brand identity.

**Brand as a product**

Case Company X's core values were gathered in Chapter 3. Those core values which have an impact on identity were adventurous, venturers, high-quality, Nordic values and heritage in science. All those core values must be present in all the actions Case Company X does as a brand now and in the future because otherwise the brand becomes meaningless and forgets the core values.

The same way those core values must be present in the production. The dive computers must be quality products which bring adventurous and ventures to customers' life when they use the product.

**Brand as an organization**

In order to be difficult to be copied by competitors, Case Company X must create the brand so that it function as an organization. This can be proceeded by making sure that the staff inside the organization knows the values and also mission and vision of the brand. Through those values, the brand creates a culture which can be noticed by customers and which makes the brand and product copy by competitors difficult and almost impossible.

**Brand as a person**

Case Company X's brand should have a person like characteristics. It makes the brand more appealing to its target customers. Customers tend to choose the brands which share the same values and have same personalities as they do.

Case Company X as a person would be like an adventurous seeking a regular person who is easy-going, competent and reliable. Case Company

X should aim to stay and give an image of a regular person but it has some features which make it kind of cool and fresh.

**Brand as a symbol**

Case Company X's logo has a big black shape of the letter A representing the company's name. The head of the arrow can also be noticed from the shape. The arrow represents the navigation and the compass. The big A and the arrow are well-figured symbols and as a logo, it will be easy to remember. However, some colors in the logo would make it more noticeable and bring some brightness and vividness to it.

The taglines main task is to give the consumers a clear statement about the company. Underwater navigation describes the company and what the company provides, but it would be clearer because now it refers to all navigation which happens underwater. However, Case Company X provides underwater navigation system to SCUBA divers and that is why it might be confusing to some organizations who are looking for navigation systems for robots or other nonpersonal operations.

The tagline goes hand in hand with the value proposition and position statement which are presented below.

**Value proposition**

As value proposition is a clear statement about the brand position which clearly shows the benefits the brand offers and for whom, it is difficult to come up with one brilliant idea. The fact is that Case Company X still does not have one, which means that it needs to be figured out.

Functional benefits the Case Company X provides:

- Further featured dive computer
- Shows the route in 3D map at all times wanted
- Possibility to download maps from the Internet before the dive
- Shows dive sites in virtual reality (in the future)

- Customers can download the routes with pictures and notes taken during the dive to social media from Google Earth

Emotional benefits the Case Company X provides:

- Creates a togetherness for divers when they can see each other's dives and share their own experiences underwater
- Creates a stress-free diving at all times when navigation is less important aspect and the diver can concentrate on other aspects
- After seeing what friends and nodding acquaintances have downloaded to social media they also want to experience the same dive sites

Self-expressive benefits the Case Company X provides:

- Case Company X aims to be a cool yet regular person
- Those personalities are quite common in everyone personally
- By using Case Company X's products everyone can connect with their cool persona

To put all those benefits into sentences and down to value proposition, so that it is clear, understandable, and tells to the target customers, why they should purchase the product, the suggestion comes here:

Underwater navigation for SCUBA divers worldwide.

Case Company X provides a solution for underwater navigation with wrist-worn device, which has all the regular dive computer's features plus it

- shows 3D map from which the diver can see the exact place underwater at all times
- gives the possibility to download dive sites to and from the Internet
- gives the possibility to share the dives with pictures taken during the dive with friends in social media.

This suggestion for value proposition is clear, it shows who it is for, and lists the benefits the user gets when using it.

## 4.3   Implementing brand identity

Brand identity implementation includes brand positioning, execution of the position and tracking the efforts.

### 4.3.1   Brand position

The brand position is the brand identity's implementation, which adds competence over competitors and communicates with the target customers. Suggestion for Case Company X's brand position statement is as follows:

Case Company X provides personal underwater navigation system on wrist-worn device, and similar technology has never seen on the diving industry before. We do this to increase the enjoyable, stress-free diving for all SCUBA divers.

### 4.3.2   Brand execution

Value proposition and brand position statements are not important if those are not used anywhere. Execution part is where those statements are put into the action.

Some execution ideas which Case Company X could try would be:

- In the trade shows, there would be virtual reality games and challenges where challengers try to find some exact place or a shipwreck from some kind of underwater labyrinth
  - The enjoyment of the trade shows could start from social media before the actual event, by creating interesting invitation with a theme: "navigate yourself to our stand"
  - Business cards or other gifts which are shared in trade show should remind the customers to "navigate themselves to company's website and social media platforms" since a lot of communication happens there

- Packaging would be "out of this world", meaning that it is unexpected, different, funny, somehow shocking yet still practical, for example, as a place to keep the device safe and where to put the device while traveling
    - Point Of Interest theme, which is already in use, would be interesting on the packaging
- Social media campaigns are important and even though Case Company X is already using some social media's platforms, it would be wise to put more effort on them and at some point use more channels
    - YouTube is a good channel to share videos which are vivid, contains information and give an overall view of the Case Company X's brand and the whole diving industry
    - Facebook is a good platform to connect with the customers more in depth. There the brand can share ideas and discuss with the customers
    - Instagram and Snapchat should be at least considered at the point where the product launch is on hand and more photos and other features can be revealed to media
        - Instagram can be in fact for the product brand, not that much for the company brand which does not have that much of communication once the product is in the markets

However, the implementing will be executed in reality, the brand identity must be clear and easy to understand. This means that it must be presented so that everyone understands what the brand is about and that the wanted brand image starts to develop and take shape.

### 4.3.3 Brand tracking

No matter how well the brand position and implementation have been made in order to be able to communicate with the target customers, if there are no ways to track the performance, the whole project is useless. It

is wise to hire people(s) to measure the performance in order to know for sure how well different marketing campaigns are performing and gaining profit to the Case Company X.

Different tools to measure the marketing performance would be for example by using quantitative or qualitative methods. Feedbacks and surveys are quite easy and not that time-consuming methods to collect the data how well the performance is affecting. This kind of methods can be done directly after the purchase situation (for example right after web store purchase there would be a feedback form "how well we managed to serve you?" or face to face in the store) or sometime after the purchase situation (for example if the email address of the customer is known, there would be questionnaire how enjoyable it was to buy the device and if it has been in use already how does it work and how satisfied the customer is with his/her purchase decision).

Whichever way the tracking has been intended to implement, the most important aspect to keep in mind is that it must be efficient so that the profit can be tracked and measured objectively. If the marketing efforts are not making a profit, there must be made some changes.


4.4  PESTE-analysis for case company

Now that we have defined the brand building for Case Company X, it is time to think about the external market area analysis of US's market area. The analysis is executed by using the PESTE-analysis introduced in Chapter 2.

**Political and economical factors**

The USA lives now in the uncertain political environment because of the upcoming presidential elections in November. The new president may take the USA's political environment in any direction and which, is difficult to predict.

The USA's economy is, as well, difficult to predict. All the operators in the USA are only waiting for the results of the presidential election.

However, some things can be said about the economy environment in the USA. Unemployment in the USA is calculated so that persons who have been actively seeking for a job in the last four weeks are labelled as unemployed. This is an effective way to drop out the retirees and also those who have a financial situation well enough to stay away from the work life. The disadvantage of this calculation is that it does not take into account those who have simply given up the hope of finding a job after seeking for it awhile but do not have good enough financial situation. (Soergel 2016.)

USA's unemployment rate is 5%. Still, only about 63% of adults in America are working. The USA has been doing well with the creating new jobs which is partly the reason why the unemployment rate is low but as mentioned above, the reason for it might be because of a certainly large group of people are giving up hope on finding a job. (Long 2016.) However, in September there were only 156,000 new jobs added which left behind the predictions. Last year, on average 225,000 new jobs were created each month. (Kasperkevic 2016).

At the moment the USA's inflation rate is 1.1% (on 13th of October 2016 showing only August's inflation rate). The rate has been about the same throughout the year. Last year's rate on August was only 0,2% and all in all throughout last year USA's inflation rate was relatively low. (US Inflation Calculator 2016.)

Today (13 October 2016), the exchange rate between Euro and US dollar is 1€=1,09981$ (XE Currency Converter 2016). This then means that right now it is relatively cheap to export goods from Euro countries to the USA and on the other hand it would be expensive to import goods from the USA to Euro countries.

Outdoor activities and recreational hobbies in nature are big factors in USA's economic. Over 140 million Americans are spending time with

outdoor activities every day and they spend more than $646 billion each year on outdoor equipment. In comparison, Americans spend more money each year only on insurances and other financial services and health care. Things like gasoline spending and pharmaceutical or household utilities are far behind in spending habits. (Outdoor Industry Association 2012.)

Outdoor industry enables over 6.1 million jobs for Americans. For the USA's economy, the outdoor industry enables over $80 billion of tax revenues in federal, state and local level. (Outdoor Industry Association 2012.)

**Socio-cultural factors**

There are about 324,118,000 people living in the United States of America today. The age distribution is quite the same in both genders. Also, there is almost the same percentage of young and old people. The biggest group is still the mid-aged people (called baby boomers) in both genders. (CIA World Factbook 2016; Index Mundi 2016.)

As the country is huge, the third biggest country in the world (CIA World Factbook 2016), there are various beliefs and lifestyle choices inside the country. Seventy percent of Americans identify themselves as Christians and six percent non-Christians (Jews, Muslims, Buddhist, Hindu or other religion). Twenty-three percent of Americans do not have or simply do not believe in a certain way and are either Atheists or Agnostics. (Pew Research Center 2016.) However, it is quite common in the USA that people are switching their religion and in fact, 42% of adults in the USA have switched their religion to other than how they were raised (Lipka 2015).

Despite the great diversity of people living in America, they all have something in common. They love to spend time in nature. Almost 143 million people, which is about half of the Americans, used time at least once in nature activities in the year 2013. (Outdoor Foundation 2014.)

**Technological factors**

As the world changes and develops to more be more technology oriented and almost everything happens on the internet, there are some things which just can not be forgotten in the business life. Artificial intelligent, Augmented reality, Virtual reality, Blockchain, Drones, Internet of Things, Robots and 3D printing are already existing and available to use in a big scale in the near future (Chapman 2016).

USA is the first in a list of most advanced technology countries in the world (World Knowing 2016). Robotics and 3D printing are already existing. However, those can be developed more advanced and in the near future, those technological innovations can be used more widely. Technology can be seen as one of those big aspects which can help the economic growth as well in the USA and all around the world (The White House 2011).

**Environmental factors**

Environmental issues are problems which are affecting to the whole globe, not just some parts of it. Air pollution, water pollution, climate change, sea level rising, intense storms and overpopulation and its problems are changing the globe every day. This is the only planet we are living right now; it is our duty to keep it alive. That is why all the governments should set strict regulations about, and companies should take care of, their waste and recycle everything possible.

Water, air, and even soil pollution is the real thing and part of today's world. It takes years for those to recover. Oil, acid rain, and urban runoff are polluting waters, gasses and toxins are the number ones causing the air pollution and soil pollution is caused mainly by industrial waste. (Rinkesh 2016.) All of those could be avoided by taking better care of the waste and waste disposal around the world.

Global warming has been on the table for many years now and some actions to take care of it have been set. Overpopulation is also one environmental problem because due to the massive population the

renewable sources are not adequate. Humans are also harming the biodiversity by destroying the environment with thinning forests and polluting oceans which harm coral reefs and endangers species there. (Rinkesh 2016.)

## 4.5   How does PESTE-factors affect Case Company X?

For Case Company X, the changes in the economy are not that big of a deal. As the diving is something consumers do on their free time, as a recreational hobby, it is what people does when they have time. Despite the fact that diving is indeed highly equipment related to sport, it does not need that big of investments at first, since the diver can rent all the needed equipment from specialized shops. However, usually active divers do want to have some personal equipment to ensure that the equipment fit perfectly to their body size and shape of the face.

When the big global financial crisis hit in 2008, especially in the USA the spending to outdoor sports equipment increased. The fact that people lost their jobs and had much more time to spend with their friends and family increased the outdoor spending rapidly. Especially hiking, camping, hunting, off-roading and water sports increased the popularity during the financial crisis. (Britt 2013.)

The economy does not have that much of distraction to the recreational related industry as it has to many other industries. People are spending less on household items but more to recreational hobbies and equipment.

As diving is a social situation and the fact that diving increases its popularity every year, especially in Asia (Maida 2016; Technavio 2016), the socio-cultural issues are affecting to diving and diving industry and down to Case Company X's business. Diving is not related to any religion or any other personal characteristics, but it is more a lifestyle. Anyone who is interested to discover the underwater world is invited to try diving. Language used underwater is international, so even that does not cut off the customers.

Case Company X's innovation is highly technology related device. As the world changes to more and more technological direction, it is wise to innovate a product which has the ability to develop during the years. Already, it is new technology in the diving industry to show a 3D map of one's dive route and even share the route with pictures taken during the dive to Internet and social media channels. For Case Company X, it is wise to think a bit further by starting to outline the virtual and/or augmented reality and how to use those factors in the future since none of the competitors is able to innovate anything like this.

Even though the Case Company X's device is highly technological and makes it possible to have more enjoyable and stress-free diving, it is important to remember that Case Company X's dive computer does not release the diver from all the safe and security practices. Case Company X's dive computer is invented to assists the diver better than never before underwater but it does not take away anything important.

Environmental aspects are important to think in an industry which is so tightly connected to one of the biggest environmental concerns there are right now: water pollution. Case Company X must emphasize the responsible values so that there are clean, fresh and vivid waters for divers to use also in the future.

In the next chapter, the research questions get the answers and the further research suggestions are made. Also, there has been discussed the validity and reliability.

# 5 CONCLUSION AND FURTHER RESEARCH

The conclusion chapter gathers all the findings together. Research questions are answered and validity and reliability issues are discussed. Further, the suggestions for the future research and recommendations for Case Company X brand are given.

## 5.1 Answering research questions

Here the main and sub-questions get the answers according to the study above. This thesis consists four sub-questions and one main research question. Before answering the main question, the sub-questions are answered.

> ➢ How does the brand identity, image and personality differ from each other?

As it can be noticed from the Table 4, all of those three concepts have different meanings and uses. Brand identity is what it proposes for its customers. Brand identity is the realization of brand identity in the customer's mind. Brand personality is the experience which the customer has with the brand.

Table 4 shows the main characteristics of each concept as follows:

TABLE 4. The brand identity, image and personality explained

|  | Brand identity | Brand image | Brand personality |
|---|---|---|---|
| Created by | Organization in question | Brand image is established in the mind of a consumer | Partly organization partly consumer |
| What is it? | Brand vision, culture, position, personality, relationship, presentation. Symbol, logo, website, tagline | A measurement of how well the brand identity has been adopted | Personification of a brand, meaning all those experiences the consumers have had with the brand |

> ➢ What is a brand equity?

Brand equity is invested assets such as brand awareness, loyalty, perceived quality and brand associations.

Brand awareness measures how well the customer is aware of the availability of a certain product meaning how well s/he recalls or recognizes the brand from a certain product category. Brand loyalty measures how likely the customer will change from one brand to another if changes in price, features or quality occur.

Perceived quality measures the individual customer's quality preferences when s/he compares one brand's products to another brand's products. Here it is important that the brand has done its competitor and customer analysis well in order to be able to hit the weak spots of its competitors and provide something for its customers' unmet needs.

Brand association is linked to brand identity. Through strong associations, the brand can make sure that it is attractive to its target customers and that is why it is important to invest in the asset called brand associations.

Brand equity is a set of those asset categories. By investing those categories, the company makes sure that its brand will be successful in the market field against its competitors.

> ➢ How to build a brand?

A brand can be created when the brand identity, image, and personality have been established after carefully analyzed the competitors, customers and brand itself. The identity must have a core which is detailed, well-defined and it also needs a value proposition. This enables that the brand has a well-structured brand-customer relationship.

The brand also needs a credible communication system. That can be created after the position statement is clear and objective. Different communication tools and channels should be analyzed and it is wise to keep some of the tools reserves for later use.

All of those communication channels should be measured and analyzed rather frequently in order to be able to know if those efforts are making a profit or not. This is how the brand is created and kept alive.

> ➢ How does the specified market area affect to case
> company's branding?

Peste-analysis assists the company to better understand the specified characteristics existing in a certain market area, in this case in the United States of America. For Case Company X, political and economical factors are not that big impacts since political views do not affect to recreational hobbies and as it was noted in Chapter 4, small economical changes do not affect that much to the diving industry.

As diving is a social hobby and it is not related to personal factors such as language, religion or person's own views, anyone can do it. In the USA,

there already exist a big diving community, which means a market, which is ready for the product. What Case Company X and other diving industry's companies can do, is to try to lure more potential customers to join the diving world.

Technology goes forward all the time and the USA is one of the most technological countries in the world. In there, the company has the ability to gain success with its highly technological dive computer and spread the word to all over the world. Consumers want to have new innovations and technological devices and that is why it is important to focus on to develop the product and services to more and more technological direction.

Environmental issues in the USA are quite the same as anywhere else on this planet for diving industry. Global climate change and pollution of air, waters, and soil is the case today and organizations and every individual person can try to reduce those things by thinking more environmentally friendly. A company like Case Company X can teach more responsible ways to protect the environment and lead by example.

The USA will be a good market area for Case Company X and by creating a strong brand, it will gain success there. The USA has a large clientle and potential environment to expand the brand there. Even though there are many competitors already, the key to success is to do cooperation with them and gain mutual trust in that way.

> **How to create a successful brand to USA market?**

First, the company must analyze their competitors and especially find their strengths and weaknesses to understand them and analyze if they can use those weaknesses against them. From the competitors' opportunities and threats, the company may find some aspects which they can use in their own business and try to avoid the threats which the competitors are facing.

After this analysis the company should analyze themselves the same way and as objectively as possible. When the company has a clear image of

the competitors' situation and they have analyzed themselves as well, they can start to create the brand. From the competitors' weaknesses the company knows which consumers have not met their needs and demands yet despite the competitors' actions, the company should target to those needs to gain clientele. This is where the specified market area comes handy. The company must understand its niche market's needs and wants and other characteristics which are specific in that certain market. PESTE-analysis assists the company to understand its market area's political and economical situation as well as socio-cultural attributes, technological possibilities, and environmental issues.

Before the company can classify themselves as a brand, it needs to consider which are those things which will never change. It is called core identity. Those things are immune to everything which happens around the brand. Extended identity then adds flesh around the core and makes the brand more attracting to consumers. Those things can be found when the company is considered with following attributes: brand as a person, product, organization, and symbol.

When those attributes are carefully considered the value proposition and position statement are created. The company should use sometime while creating them because such statements have a lot of meaning to consumers and if the brand promises something it cannot implement reliability is ruined.

After position statement, the company should find effective communication tools with which it can start to implement the value proposition. Measuring is also important so that the company can see how effective the communication tools and channels are and if some changes need to be done.

When the company brand has been created in a way it has dimension and depth in order to be attractive in the eyes of customers, the company must consider the PESTE-factors. When the company understands the PESTE-

factors and its brand identity is stable, it can expand the operations to the target market area.

## 5.2  Validity and reliability

This thesis was based on the main research question and four sub-questions. The main purpose of this thesis was to find the answers to those questions. The information was gathered, to be able to answer those questions, from both, secondary and primary sources. Trusted Internet sources and published literature, such as official books and journals, were used as a secondary data. The primary data was collected by interviewing the personnel from the case company. According to these facts, it can be said that the research is valid and reliable.

## 5.3  Suggestions for future research

As this study is focusing on the brand building, which is only a small part of whole branding concept, it would be good as a future research to study, how the implemented brand building actions have worked out. Evaluating and measuring those actions would be a good topic for future research. Furthermore, it would be wise to consider financial investments in the future research, because it gives a more realistic picture of the whole process. Last suggestion for the future study is to take the consumers' viewpoint into action. When the brand has been on the markets for a while, it would be interesting to see how the customers have adopted the brand, and how they perceive the brand.

In the last chapter, the whole thesis will be summarized. After the summary, the list of used references can be found.

# 6 SUMMARY

The aim of the research was to find what aspects should be taken into consideration with brand building actions. The final goal was to give a suggestion for the case company and to answer the main research question of how a brand could be built in order to reach success in a specified market area.

At the beginning of the study, the author introduced the main concept of branding and brand building, and also the concept of PESTE-analysis, which was used to make external market area analysis. Those concepts were then combined together to cover the theoretical part of the research.

The empirical part of the thesis was made based on the theoretical findings. Suggestion for brand building in a certain market for the case company was made based on the theory. All the important aspects were combined together in the empirical part, and according to them, the case company should be able to build the brand to target market.

The thesis provides a thorough suggestion for the case company on how they could build the brand, in a way that it is long lasting and gains success. Furthermore, the findings of the thesis stated that it is important to build a brand which has dimension and depth to it, so to be able to attract customers in an industry which is already quite a niche, and where competitors already have gained loyalty among the customers.

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