Revitalize
the Feelin' good-factor

A redesign of the Brunotti brand strategy

Master Thesis by
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BRUNOTTI

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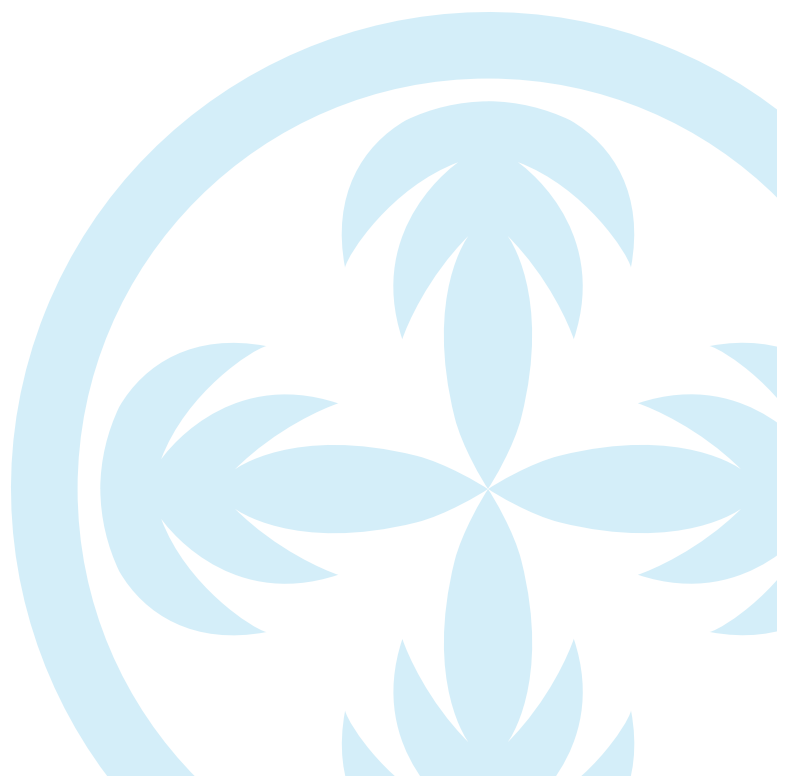Delft University of Technology

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August, 2014

"Feelin' good has a name"

Executive summary

Introduction

Brunotti is searching for growth opportunities and is therefore developing a new brand strategy with a broader scope. The 'right' brand strategy will ultimately lead to an increase of the brands' equity and increase the brands competitive position. However there is little knowledge about the perception of the brand and therefore the brands' image is unclear. Knowledge about the brands' perception is vital for the development of the new brand strategy. Moreover, a strategy in which the differentiation of the brand is unclear can lead to a decrease of Brunotti's competitive position, since there is no clear reason for consumer to choose Brunotti over other brands.

The challenge of Brunotti of developing a new brand strategy and the need to obtain insights in their brand image created the opportunity for this graduation project. This graduation report describes a proposal for the new brand strategy for Brunotti based on internal and external research.

Brunotti

Brunotti as a company was internally analysed. The analysis pointed out several important aspects for improvements. Firstly, Brunotti's current brand strategy is aimed at serving a broad target in different industries, and is therefore moving to a strategy with less differentiation. This combined with the shift towards premium pricing; Brunotti has placed itself in the situation where the brand is positioned to be neither being different nor lower in cost than competitors. This strategy, also referred as the "stuck in the middle", is classified as the worst strategy to be in to stay competitive. Secondly, the portfolio decision-making effectiveness was found to be low, leading to an unbalanced portfolio, with no balance between more or less risky projects. This has a negative effect on achieving the highest return for the development dollar investment. As an example, several brand extensions were only expected to deliver short-term sales growth, and are not leading to structural growth. Third, current brand management is divided over several people, resulting in no objective management of the brand. Herewith there is no structural and objective protection of the brand image.

Competitive position

The analysis of Brunotti's external context indicated that Brunotti's competitive scope is too broad. Brunotti is facing large and strong competitors in different industries, resulting in high competitive rivalry. Moreover the low differentiation strategy makes Brunotti vulnerable for the threat of substitutes, which is therefore regarded to be high. Furthermore Brunotti is a small player in the sports and fashion industry and therefore faces a big challenge to obtain a strong competitive position in both markets, since it has to divide its resources over both industries.

Brand image

Via qualitative consumer research insights were acquired about the perception of the brand Brunotti. The consumer research was focused on determining the brands' image and to obtain insights in the level of brand awareness of the brand. From the results it could be concluded that Brunotti is perceived as (board)sports brand for young adults that also delivers clothing for daily life. However Brunotti is not perceived as a fashion brand. Brunotti is furthermore perceived as a colourful and tough brand that evokes a positive feeling in the consumer mind. Brunotti is also expected to deliver good value for money. Moreover it could be concluded that Brunotti's brand awareness is high, whereas the brands visibility is low.

New brand strategy

The new brand strategy is designed to overcome the challenges addressed during the internal and external analysis in order to increase the brands competitive position. The new brand strategy consists of four elements:

New positioning

To overcome the brands' low differentiation and narrow the brands' competitive scope.

Portfolio management

Create a more focused and balanced portfolio, and increase portfolio-decision making effectiveness.

Marketing management
To increase brand visibility, and counter fragmented brand manifestation.

Brand management
Provides recommendations for brand management structure.

Positioning
The new positioning for Brunotti is focused on differentiating the brand based on the brands' strengths (brand image) and focuses on the sports and boardsports industry, by excluding fashion. Furthermore the positioning uses the brands' faded feelin' good-factor to create a unique selling point, which will be implemented via the marketing. The new positioning also provides new core and brand values, to respectively guide Brunotti's employees and what it delivers to its customers. With the new positioning Brunotti can differentiate itself from its competitors in the sports and lifestyle industry.

The new positioning statement
"To our sport enthusiasts and fanatics who enjoy the fresh air a little challenge and excitement, Brunotti brings you sports-lifestyle apparel and products with distinctive design, functionality, and above all a smile."

Portfolio management
To create a balanced product portfolio and to focus the allocation of resources on the successful collections and collections that have high growth opportunities, the fashion collection and the footwear collection are recommended to be liquidated. These collections have a low relative market share, show a low growth rate and are in industries where the competition is strongest. Next to the liquidation of these collections a new concept of a signature collection is recommended. This new signature collection combines different products from different collections in one design style, to counter the fragmented brand manifestation.

Marketing management
Via marketing the new positioning can be translated in to marketing tools. To differentiate the brand 'on the spot' within the retail environment and to increase the brands visibility in the store the concept of Active Shopping POS material was developed. The basic idea of active shopping is that consumers are triggered to perform an activity during their shopping, via POS material. The size of the POS material is ranging from fitting on a pay desk to the size of a promotion stand. Herewith Brunotti can stand out at retailers and at for example events. Next to the active shopping concept, concepts for packaging design are presented with the focus on humour, to also be notable on the streets.

Brand management
The recommendation for brand management describes the proposal to create a brand manager function. The brand manager is the brands' advocate and controls the brands' manifestation in order to protect the brands image to be able to increase the brands' equity.
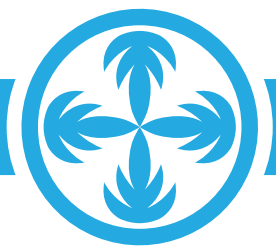
Implementation
The implementation of the active shopping concept and the packaging design bring relative low risk, but can clearly differentiate Brunotti and relatively easy increase the brands visibility. Brunotti already implements traditional POS material on a large scale, which makes the implementation less difficult. The implementation of the active shopping concept can start with a pilot of a single POS material and is easily up scalable for distribution to retailers. The liquidation of the fashion and the footwear collection hold some financial challenges, which need further research.
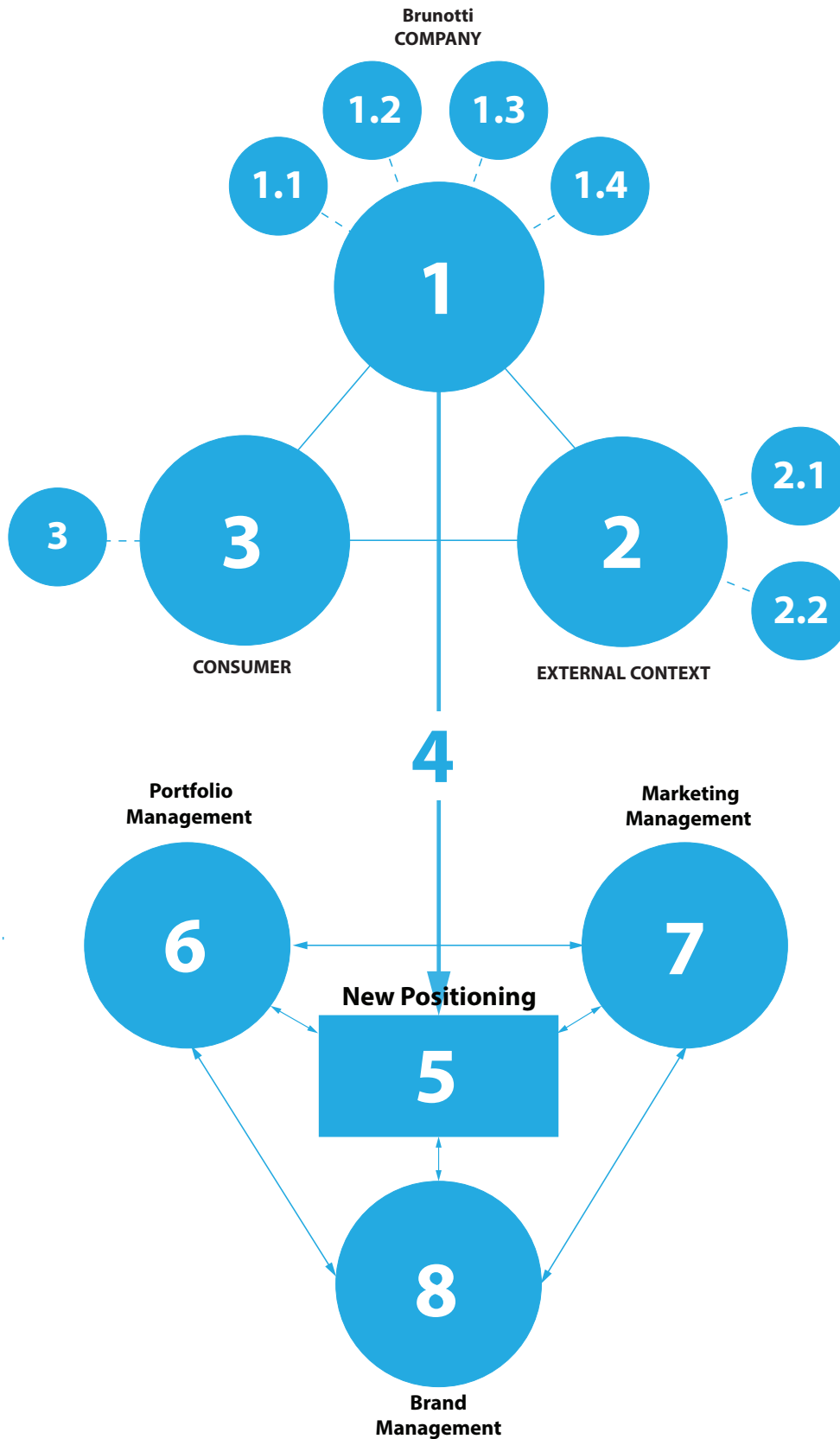
Conclusion
The realisation of doubling the company's turnover in five years time finds its success in a clear differentiation and high visibility of the brand Brunotti and will lead to an increase of the brands' equity. Without a strong brand equity and a clear differentiation there is less reason for consumers to choose the brand Brunotti over other brands. Building a strong brand and being able to live up to the brands' promises is vital for long-term structural sales growth. This new brand strategy provides a positioning to which the brand Brunotti can live up to and provides tools to actually differentiate the brand from the competition and give consumers a clear reason to choose for the brand Brunotti.

Table of contents

Chapter overview

Brunotti
COMPANY

1.2

1.3

1.1

1.4

1

2.1

3

3

2

2.2

CONSUMER

EXTERNAL CONTEXT

4

Portfolio
Management

Marketing
Management

6

7

New Positioning

5

8

Brand
Management

Preface

Brunotti is a Dutch sports brand in apparel and (kite) boards, which has its main market in the Netherlands and Germany and is also active in multiple countries in Europe. Brunotti develops and designs most products in house. All Brunotti's products, including license products, are distributed via retailers and their own Brunotti web shop. This report describes the research and design on the improvements of the brand strategy of Brunotti.

Brunotti's management regards the current position of Brunotti in the market as stable. However, management also noticed that this position is not likely to withstand the competition with the current brand strategy and further growth of the company would be highly challenging. Furthermore, the differentiation of the brand is regarded as insufficient. To secure their market position and to enable growth opportunities, Brunotti started to develop a new brand strategy to replace the old one. The development of the new strategy was conducted with the help of external parties, of which this graduation project is one of them.

The old brand strategy, that Brunotti used until 2014, positioned Brunotti as a brand active in board sports and the apparel and lifestyle associated with it. The new strategy was envisioned by Brunotti to address a wider, more general target audience. Brunotti is moving its focus on a niche market to a focus on the mass market. Next to the challenge of developing a new brand strategy, Brunotti was in the need of obtaining insight in the their brand image, the perception of the brand Brunotti by its customers. In line with the shift to a

mass market Brunotti has developed a relative large and diverse portfolio in recent years, However the fit between the brands' portfolio and the firms' strategy is possibly stretched too broad.

The challenge of Brunotti of developing a new brand strategy and the need to obtain insights in their brand image created the opportunity for this graduation project. Having a brand strategy that differentiates the brand Brunotti from its competitors is essential for the future success of the company, to hold its competitive position in the market and to achieve the set growth goals in turnover (Walker, Mullins, & Harper, 2008). In order to support the envisioned stronger positioning and growth goals, the following assignment has been formulated for this graduation project:

"Create a brand strategy with a strategy for portfolio management for Brunotti and a retail design proposal to realize a brand equity improvement of the brand Brunotti."

This enables Brunotti to increase their brand awareness and to improve their brand perception and image in order to establish a strong long-term competitive position within the market. The translation of the brands' identity and values into Brunotti's product portfolio and their marketing activities are key to establish a strong brand.

Project framework

Brunotti COMPANY

INTERNAL ANALYSIS

Company Analysis

Brand Management

Portfolio Management

Marketing Management

BRUNOTTI

Consumer Research

BRUNOTTI

Consumer

CONSUMER

EXTERNAL ANALYSIS

A B C

Competitor Analysis

Industry Analysis

EXTERNAL CONTEXT

Portfolio Management

Marketing Management

New Positioning

BRAND STRATEGY

Brand Management
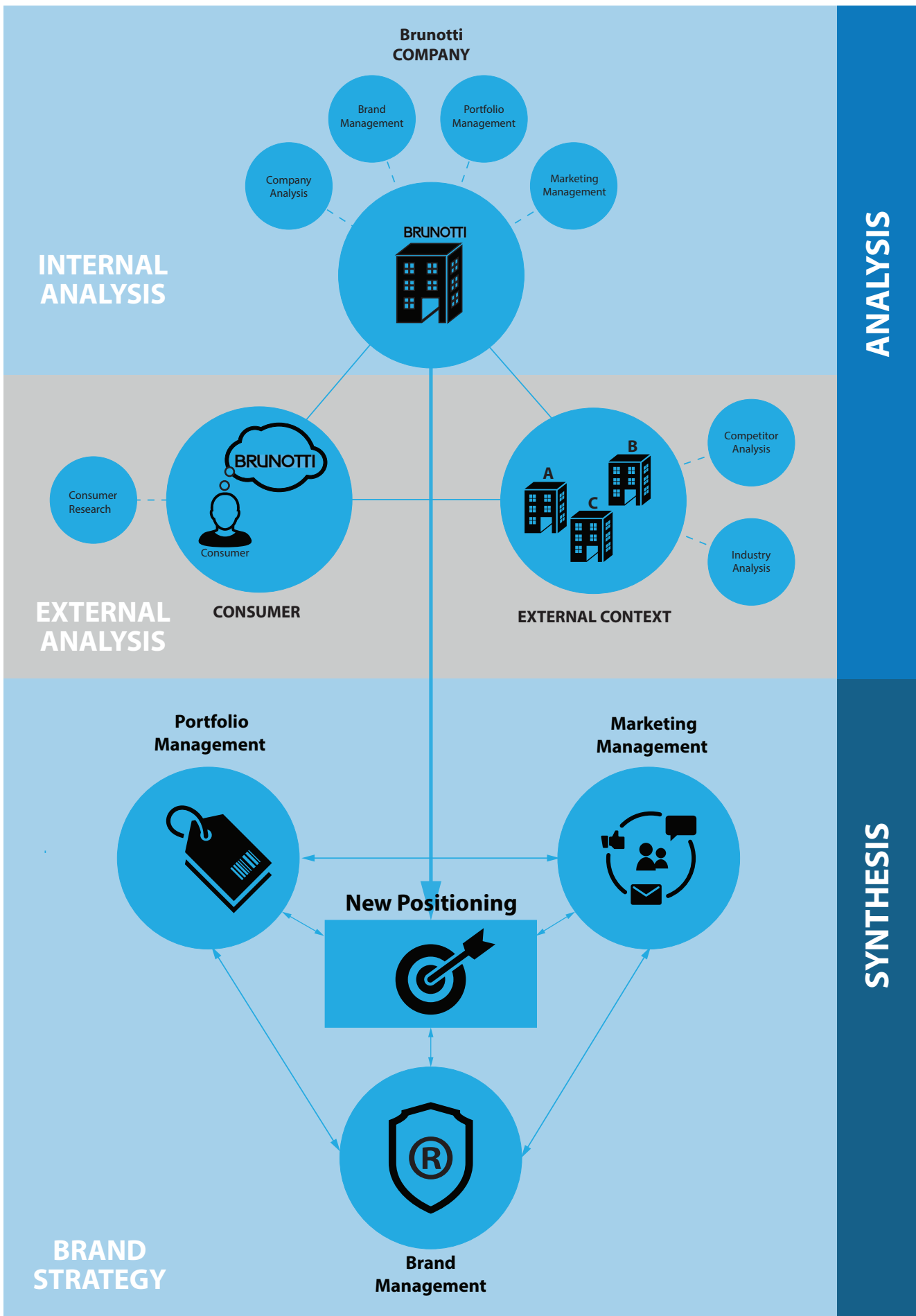
Project Framework

For this project a project framework is used which is based on the brand-target-consumer model of Riezebos and Van der Grinten (Riezebos & Grinten, 2011), in short the BTC-model (figure 1). This model is adapted and extended to include all aspects of this graduation project.

The BTC-model
The BTC-model describes the elements and process for the positioning of a bran . The basic principle of this BTC-model is that the brand manager makes well-thought-out decisions on which identity aspects of the brand he/she in the manifestation, communication and visualisation of the brand to the outside world, wants to emphasize. The emphasized identity aspects must be relevant for the target group and differentiate itself from the competition (Riezebos & Grinten, 2011).

Brand
The first sphere in this model is about the brand. Here the identity of the brand (the organisation) is analysed.
Target
The second sphere is about which aspects of the brand identity are relevant for the desired perception of the brand by its target group.
Competition
The aim of the third sphere in the BTC-model is to determine how the brand is positioned against its competitors.
Positioning
The understanding of each sphere and in particular the combination of these insights leads to the positioning of the brand.

Model conversion
The BTC-model of Riezebos and Van der Grinten is adapted and extended for this graduation project.
The three spheres, brand-target-competition are converted to Company-External context-Consumer, which is the analysis phase of this project and serves as input for the New Positioning, which is the synthesis phase of the project.

Company (internal analysis)
The brand sphere is converted to company and is divided in four sub-parts indicated by four smaller spheres in the model. The first sphere analyses the company Brunotti via a company analysis, a description of the brand Brunotti and their corporate strategy. The second sphere analyses brand management, what is currently known about the brand image and how the brand Brunotti is managed. The third sphere analyses the portfolio management, Brunotti's portfolio and how this portfolio is managed. The fourth and final sphere analyses the marketing management and which marketing tools are used by Brunotti.

External context (external analysis)
The competition sphere is converted to external context. Next to an analysis of Brunotti's competitors, the industry where Brunotti is in is analysed. Brunotti's competitors and the attractiveness of the industry are described.

Consumer (external analysis)
The target sphere is converted to consumer, to better cover the essence of the consumer research conducted to determine how consumers perceive the brand Brunotti, what is Brunotti's brand image and what can be determined as Brunotti's strengths.

New Positioning
The new positioning is the central element for the brand strategy that is based on the information and challenges from the internal and external analysis. The implementation of the new positioning will be conducted via three topics; portfolio management; marketing management and brand management.

BRAND

TARGET   COMPETITOR
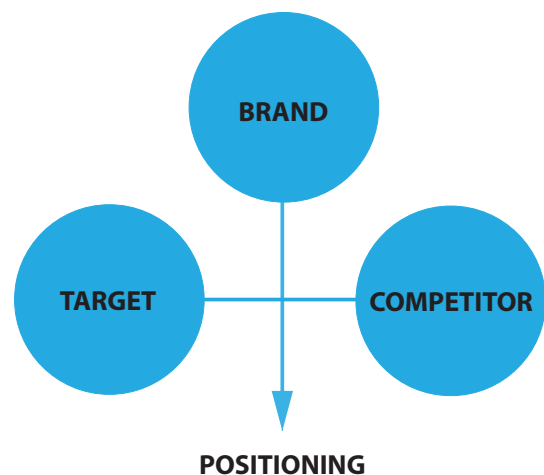
POSITIONING

figure 1

11

ANALYSIS

The analysis phase gains insight in the current brand strategy of the brand Brunotti, their position in the market and the brand's image according to its consumers. The conclusions of each phase serve as the prime input for the synthesis phase in which the brand strategy is developed. The analysis phase consists of an internal and external analysis. The analysis phase is divided in to three parts, the analysis of the company Brunotti (internal), the analysis of the external context (external), and the consumer research (external). (figure 2)

Brunotti COMPANY

Brand Management

Portfolio Management

Company Analysis

Marketing Management

BRUNOTTI

BRUNOTTI

Consumer Research

Consumer

CONSUMER

A

B

C

Competitor Analysis

Industry Analysis

EXTERNAL CONTEXT
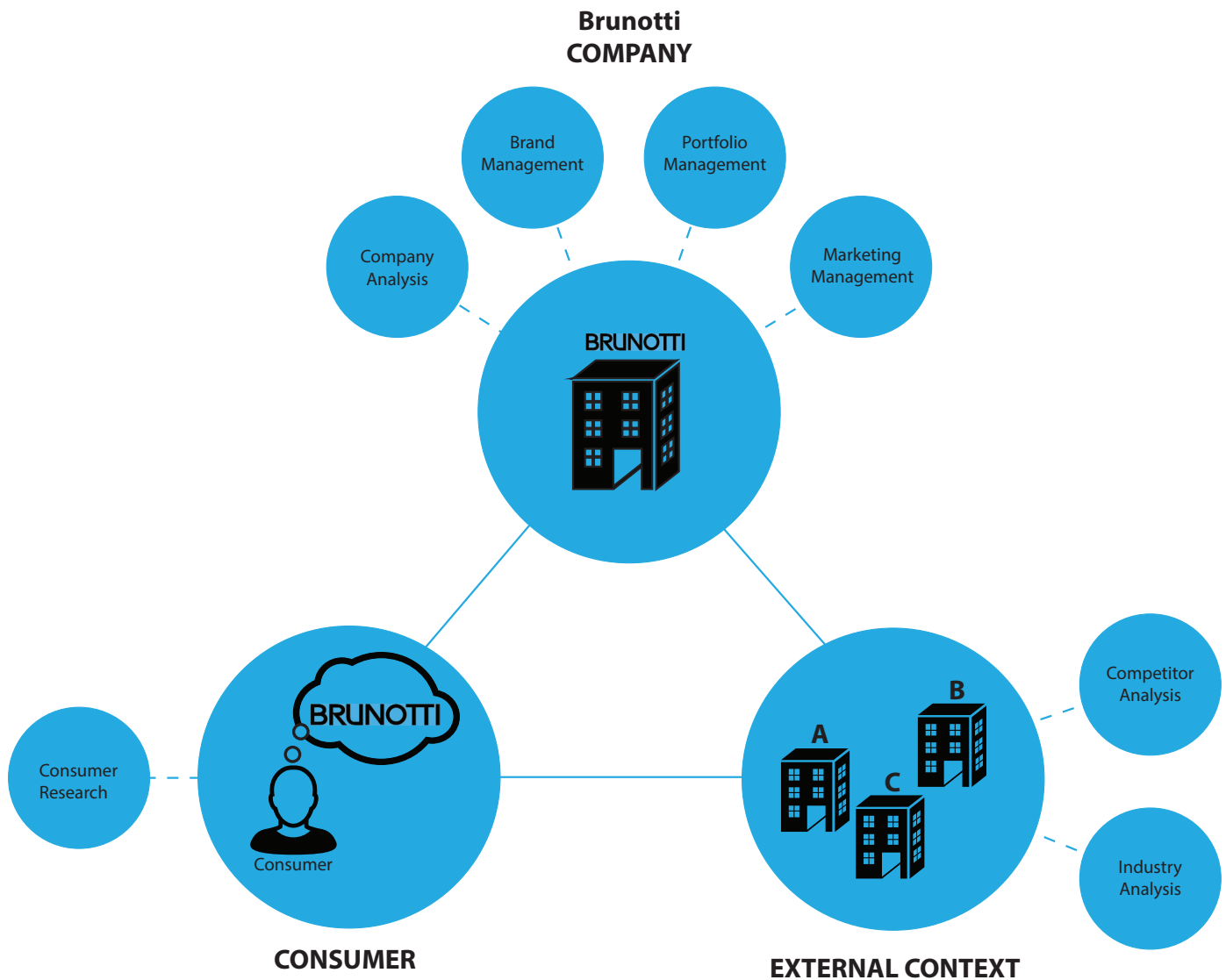
figure 2

This chapter about 'Brunotti the Company' is the internal analysis of the company Brunotti. This chapter consists of four parts. First, the company analysis including the brand strategy. Second, knowledge about Brunotti's current brand image and brand management, and the theory about brand management. Third, portfolio management, describing Brunotti's portfolio and how this portfolio is managed. Fourth, marketing management, describing Brunotti's marketing tools and activities. The internal analysis serves as input for the consumer research part and synthesis phase. (see figure 1.1)
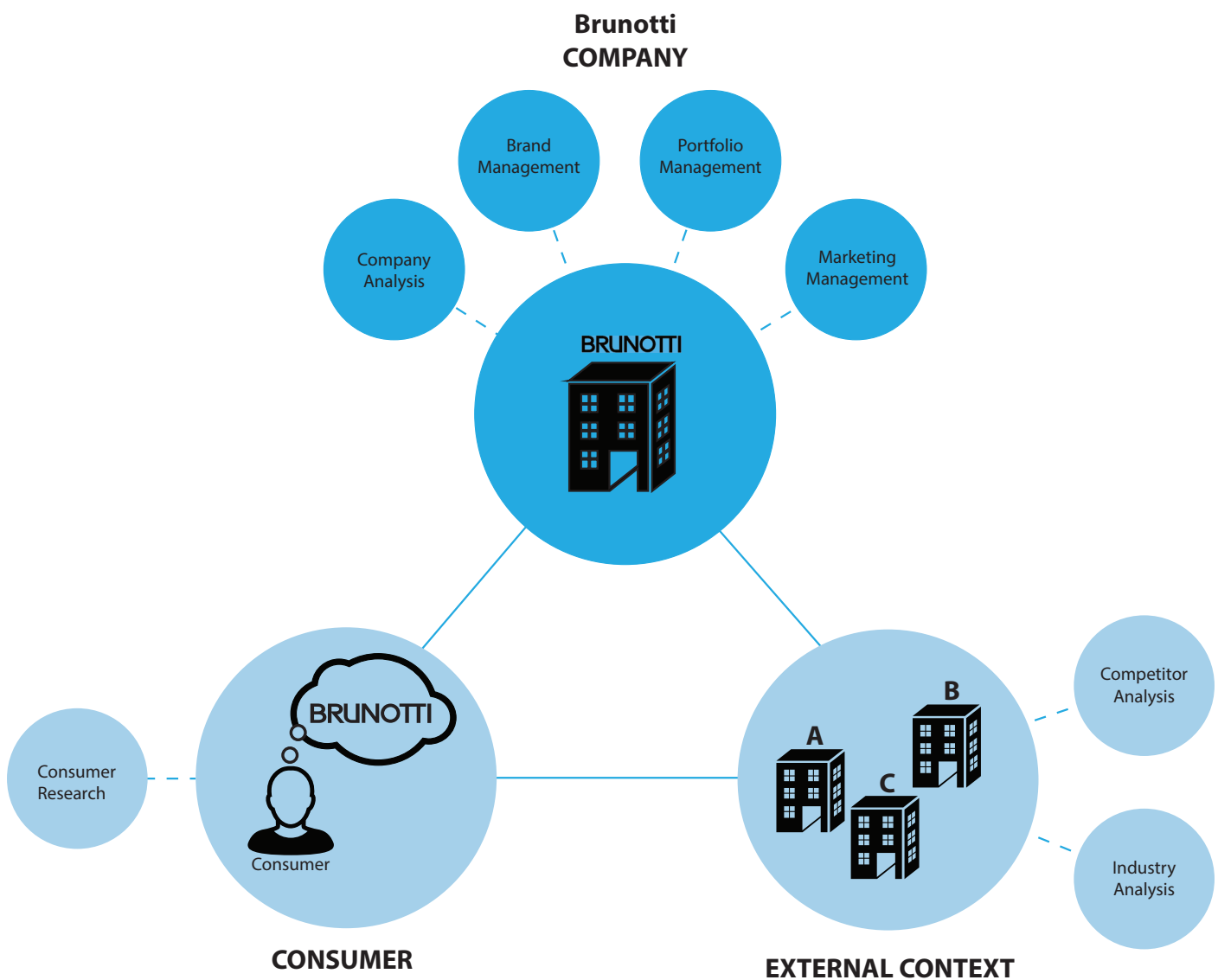
figure 1.1

1.1 Company Analysis

The company analysis provides the knowledge about the company Brunotti. It describes the brands history and its past and current corporate strategy. This chapter includes the analysis of the corporate strategy, growth strategy and pricing strategy. Understanding the company's history and its current situation are the basis to design the new brand strategy. (figure 1.2)

Brunotti
COMPANY

Brand Management

Portfolio Management

Company Analysis

Marketing Management

BRUNOTTI

Consumer Research

Consumer

Competitor Analysis

Industry Analysis

CONSUMER

EXTERNAL CONTEXT

figure 1.2

1.1 Company Analysis

1.1.1 About Brunotti

Brunotti is a Dutch clothing and sports company located in Amersfoort, which has its roots in boardsports. The company Brunotti was founded in 1979 by windsurfer Claudio Brunotti in Scheveningen. Claudio Brunotti started developing and selling surfboards, but moved back to Italy in 1997. Then, Brunotti's current shareholders took over the company and Brunotti was registered as a global brand. Today Brunotti mainly is a clothing company and is active in more than 10 countries in Europe. Their product portfolio exists of boards, clothing, footwear, bags, and eyewear, where clothing accounts for 87% of their total sales.

1.1.2 Corporate strategy

At a corporate level the primary focus of the company's strategy is to make decisions about the organization's scope and resource deployment across its divisions or businesses (Walker et al., 2008). Brunotti has captured their identity in the Brunotti DNA, which is the core for Brunotti's corporate identity, mission, and vision, the so called Brunotti 3rd Dimension, which is the company's brand strategy (Brunotti, 2014).

Brand strategy
Currently management is developing a new strategy. This is an updated version of the original 3rd Dimension strategy which was used until 2013. This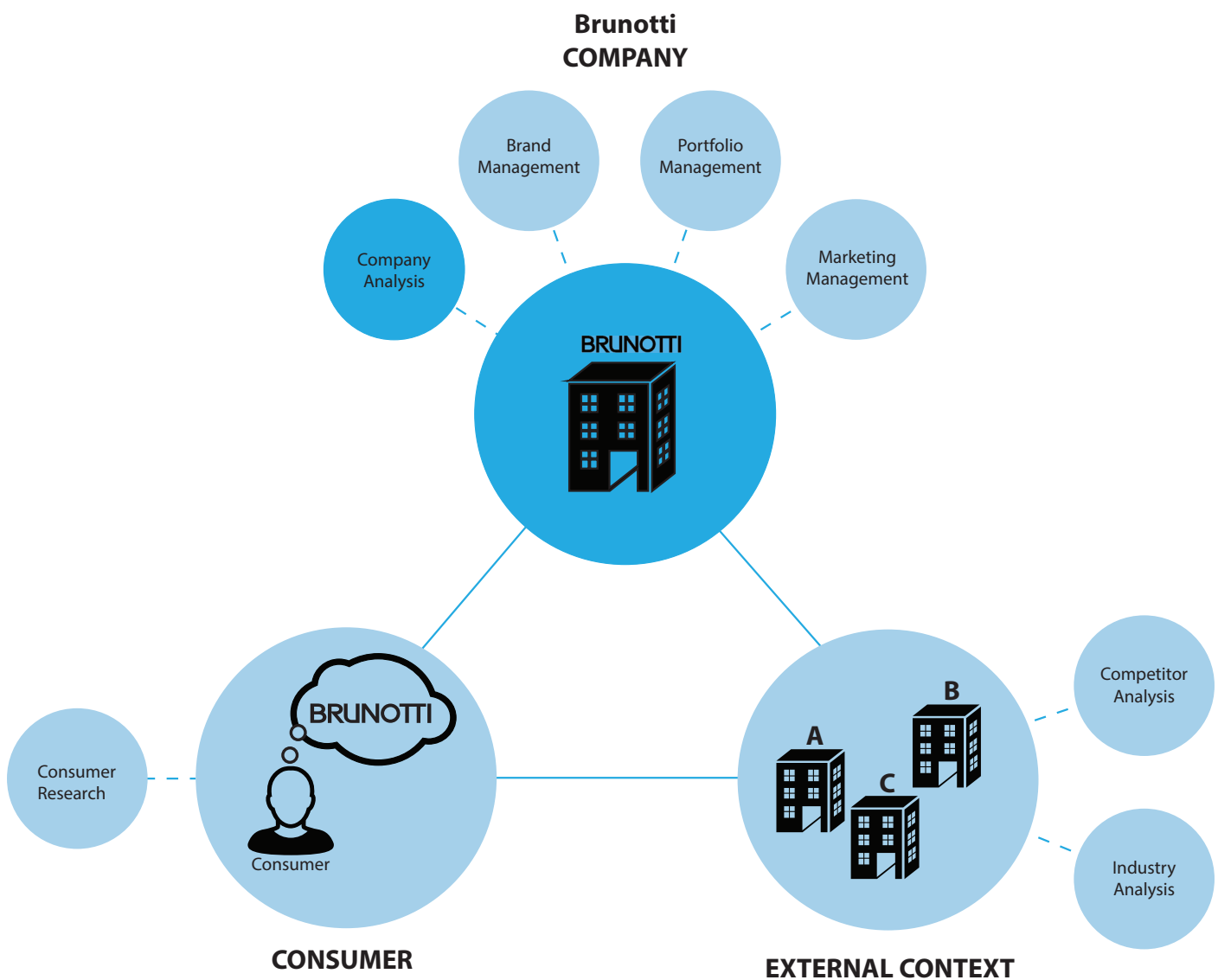 previous brand strategy is described in this report as: past-brand-strategy. The new 3rd Dimension strategy is still in development, however the new strategy is in its final stage of its development. In this report, the new updated strategy is described as : 2014-brand-strategy.

The past-brand-strategy stated that Brunotti was an international boardsports lifestyle brand (Brunotti, 2013). Brunotti considered that the target group of

this definition was too narrow to achieve the brands' goal to: Internationalize the brand Brunotti and double the turnover within five years. To achieve this growth Brunotti wants to manifest itself now as an international sport and fashion brand and not only being a boardsports brand. In order to broaden their target group. Brunotti is moving from a focus on a niche market to a focus on a mass market. The target group in the 2014-brand-strategy is defined as 'men, women, kids with a sportive and healthy lifestyle'. However, the actual target group that is used does not exclude non-sportive consumers, and is therefore even larger. The brand's target group description is deliberately broad, since Brunotti does not want to narrow down the range of their potential customer with a target group description. In addition, the company wants to embrace their Italian roots and their brand values (Brunotti, 2014). Management believes that with these aspects Brunotti could differentiate itself from the competition (Meeberg, 2013).

Management believes that the setup of their sales via the 'traditional' retail channels and sport retailers is not sufficient enough to achieve the goal to double their turnover in five years (Meeberg, 2013). Therefore a new strategy for the distribution and collection is included in the new 2014-brand-strategy. Management regards this change as a major improvement in order to achieve the growth goals (Meeberg, 2013). With the new distribution and collection strategy the company is aiming to expand the amount and variety of retail channels and to increase their visibility and their market reach.

The change in the corporate strategy is driven by the goal to double the firms' turnover within five years time. This result in a strategy to serve a mass market as a sport & fashion brand described in the 2014-brand-strategy, instead of a focus on a niche market as a boardsports brand in the past-brand-strategy.

1.1.3 2014-brand-strategy (from 2014)

The 2014-brand-strategy created by Brunotti, the new 3rd Dimension that currently is used, consists of five parts (supplemented with the brands history) (Brunotti, 2014):

1.   Brunotti DNA (core values)
2.   Brands' mission
3.   Brands' vision
4.   Target group description
5.   Distribution/collection

Brunotti's DNA:
In the 2014-brand strategy the Brunotti DNA could be regarded both as the core values of the brand Brunotti, who Brunotti is as a company, and as the brand values, describing what the brand Brunotti actually means for the customer and what Brunotti delivers to the customer. In the old-brand-strategy the core values and brand values were mentioned separately. However, in practice the Brunotti DNA and the brand values were used interchangeably. In the 2014-brand-strategy the brand values are not explicitly mentioned but merged with the core values in the Brunotti DNA to be used as guidance for design and development of the Brunotti products and marketing activities. In the 2014-brand-strategy the Brunotti DNA is regarded as Brunotti's brand values.

- **Heritage:** Heritage refers to the roots of Brunotti; their roots in boardsports and the fact that the company has roots in Italy, via their founder Claudio Brunotti.
- **Quality:** Brunotti wants to stand for products that are of good quality and durable.
- **Technical:** Brunotti will, next to their design, also deliver technical features to their products. Such as the performance of their kite-boards and waterproof clothing.
- **Tough:** The boardsports roots contain tough aspects including risks and challenges, which must reflect throughout the whole brand.
- **Mature:** Brunotti wants to express itself as a mature company, which delivers products mainly for adults.
- **Clean:** Brunotti wants to deliver products that are well finished, without imperfections in the products and without garish designs and details.
- **Sexy:** The design of the products is aimed to be appealing for the consumer.
- **Colour:** From the early years of Brunotti the use of colour has been a characteristic of their design

Mission
"Because we have this passion for sports, we want to make this widely accessible. To accomplish this we are presenting feel good products for everyone who enjoys a sportive lifestyle".

Vision
"Internationalize the Brunotti brand by presenting our Feelin' good-factor in the sports & fashion industry".

Target group
"Men, women, kids with a sportive and healthy lifestyle. They like to feel free, enjoy life and respect nature".

Slogan
"Feeling good has a name" This slogan is used by Brunotti for many years, and was originated from the brands original statement of being a 'feel-good' brand.

figure 1.3 - Brunotti's corporate brand logo
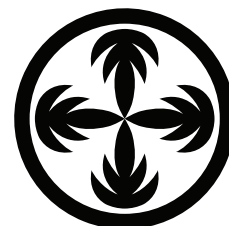
figure 1.4 - Brunotti's corporate logo, palms & pines. The palms in black and pines in white, representing summer and winter.

1.1 Company Analysis

1.1.4 Past-brand-strategy (until 2014)

In order to understand Brunotti's current situation and to understand the events and history that lead to the current situation, the past-brand-strategy is described (Brunotti, 2013). The past brand strategy was used until 2014 and was used for several years.

The past-brand-strategy stated that Brunotti was an international boardsports lifestyle company. Brunotti's mission was to make the boardsports lifestyle widely accessible, maintaining their core focus and roots. Brunotti's vision was to become a top 5-brand in Europe in the boardsports lifestyle segment.

The Brunotti DNA (core values) :
- Mature
- Sexy
- Tough
- Clean
- Technical
- Heritage
- Lifestyle

Mission
"Founded from pure passion for boardsports. We want to make these boardsports lifestyle widely accessible, maintaining our core focus and roots."

Vision
To become a top 5 brand in Europe in the boardsports lifestyle segment

Brunotti's target group
People who are active in boardsports or just beach- and snow lovers. They like to feel free, enjoy life and respect nature.

Brand Values
- Quality
- Authentic
- Credibility, born from the roots
- Feelin' Good has a name
- Driven from the core
- Respect for the planet

1.1 Company Analysis

1.1.5 Financial assessment

In 2012 Brunotti made a turnover of 23 million Euros. At this moment, Brunotti isactive in several countries in Europe. The Netherlands and Germany are responsible for 65% of the total sales, and are Brunotti's main markets by country. Brunotti is expanding to new markets; these markets include Scandinavia, East-Europe, Canada and South America. With this market development strategy Brunotti can relatively easily reach their short-term sales growth targets, since it captures a minor market share within the new market (Walker et al., 2008). However, long-term structural sales growth is more difficult, since the differentiation of the brand becomes more important to achieve structural sales growth (Walker et al., 2008). Therefore the market development strategy is most likely to only create sales growth for the short-term.

In The Netherlands, its main market, Brunotti is the largest boardsports brand together with Protest, according to Brunotti's own estimations. In Germany Brunotti holds a number three position according to own estimations. In all other markets in Europe and worldwide Brunotti holds a minor market share.

1.1 Company Analysis

1.1.6 Corporate Growth Strategy

As mentioned before, Brunotti has committed itself to the goal to double their turn over in five years' time. In this chapter, the growth strategies used by Brunotti to achieve this goal are analysed. The analysis of the growth strategy indicates that Brunotti is active in all four corporate growth strategies addressed by Walker et. al. (2008), Brunotti focuses on the penetration strategy, the product development strategy and market development strategy. The diversification strategy is used on a limited scale. These strategies are described below and visualized in figure 1.6. By using all four growth strategies Brunotti allocates resources to all strategies simultaneously, which is a dilution of the corporate growth strategy and risking to be unsuccessful in all growth strategies. Walker et. al. (2008) advises that management must decide on a growth strategy to guide the corporate development.

Firstly, Brunotti is trying to distribute its existing product via new retail channels in existing markets as the Netherlands and Germany: the penetration strategy. Germany in particular is seen as the market with the highest growth possibilities for the short-term. Secondly, the newly introduced fashion and underwear collection are launched in existing markets: the product development strategy. Brunotti's intention is to offer a wide and diverse portfolio, aiming at offering a complete portfolio. The product development strategy could be considered as challenging for Brunotti, since a product development strategy can be more successful when an established brand name is involved. A well-established brand name substantially reduces new-product introduction risks (Aaker, 1990). Since the current brand equity of Brunotti is unknown, but is suggested not to be in a highly competitive state, the new-product introduction will probably not benefit from the Brunotti brand name.

Thirdly new markets, like Italy, France and Canada, are regarded as potential growth opportunities for their distribution of existing products: the market development strategy for expansion into new geographical markets. Moreover, there is the expansion aimed at non-user segment of existing markets.

Lastly, Brunotti has a small opening to distribute the new fashion collection to the new markets: the diversification strategy. The diversification strategy is only a minor part of the total growth strategy, but resources are spend on this strategy. The diversification strategy brings relatively high risks and therefore a low chance of success. This especially is applicable because of the low amount of resources that is used for this strategy.

	Existing Products	New Products
Existing Markets	**existing retailers + new distribution** Market Penetration	**new fashion collection** Product development
New Markets	**via new distribution** Market Development	**fashion collection in new market** Relative high risk Diversification

figure 1.6

1.1 Company Analysis

1.1.7 Pricing strategy

Brunotti started their price positioning, as a boardsports brand, with a pricing level of roughly 10% beneath the retail price of its competitors (Meeberg, 2013). The products were sold in (budget) sports stores and at wholesale stores like Makro, where the products were offered in large quantities and at competitively low prices. It is suggested that the deliberately chosen 'low-price' strategy resulted in a low quality perception of the brand by consumers logically. In 2010 management decided that a strategy change was needed in order to stay competitive (Meeberg, 2013). Management concluded that Brunotti was unable to stay competitive against budget brands and private labels. Therefore the overall strategy changed, in respect to quality, resulting in a strategy to improve the overall quality of products and the improvement of the quality perception for the brand in general. As a direct result of the improved product quality, the overall price level needed to be increased. The price level was set on premium pricing for the whole portfolio, trying to force an increase of the quality perception of the brand by consumers. This strategy will be continued for the long-term to create a premium price perception of Brunotti in the consumers mind. By increasing the overall price level of the product portfolio, the brand perception can positively be influenced (Erdem & Swait, 1998), intending to improve the overall quality perception of the brand and its products.

The premium pricing also resulted in higher profit margins per product. However, this premium pricing will automatically demand that Brunotti must meet the premium quality that is suggested by the premium price level. The new pricing strategy has not yet met the desired improvement in quality perception by its consumers. Brunotti suggests that it is very likely that their price increase had been too high and too fast and that the time frame for the intended price increase had been too small. The new pricing of their portfolio in general was not in line with the quality increase. Nevertheless, Brunotti will sustain the premium pricing strategy for the future, and believes that they are able to get their premium pricing and the product quality on an equal level.

Conclusion company analysis

Corporate strategy

The company's goal to double the firms' turn over within 5 years is the most important driver behind the corporate strategy, growth strategy and pricing strategy. The corporate strategy changed from a strategy to serve a niche market as a boardsports brand in the old-brand-strategy to a strategy to serve a mass market as a sports & fashion brand in the 2014-brand-strategy.

Pricing strategy

Brunotti increased their overall product quality while starting to use a premium pricing strategy. There is a strong suggestion by the company that Brunotti still experiences negative effects of the previous price positioning, which is expected to influence the brands' image. The improvements in quality and the price increase did not meet the desired improvement of the brand image so far. However, Brunotti will sustain the premium pricing strategy for the future.

Growth strategies

For the corporate growth strategy Brunotti is practically active in all four growth strategies, with a focus on the penetration strategy, product development strategy and market development strategy. By using all four growth strategies Brunotti allocates resources to all strategies simultaneously, which is a dilution of the corporate growth strategy and risking to be unsuccessful in all growth strategies.

"Stuck in the middle"

With the aim to serve a broad target market and use premium pricing, Brunotti has moved to a strategy to be "stuck in the middle", to be neither different nor lower in cost than competitors (Walker et al., 2008). Leaving Brunotti with no competitive advantages. By Porter (Porter, 1985) this is argued as the worst strategy to be in to stay competitive.

1.1 Company Analysis

23

1.2 Brand Management

The chapter of brand management describes the fundaments of brand equity in relation to Brunotti, which will be the input for the consumer research to determine Brunotti's brand image and awareness. Next to that, this chapter describes the current management of the brand Brunotti.
(figure 1.7)

In order to investigate and to understand the current situation of the brand Brunotti it is important to know the definition of brand equity. According to Aaker (Aaker, 1996) brand equity is a multidimensional concept, which consists of brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary brand assets. According to Keller (2001) brand knowledge refers to brand awareness and brand image, where brand image is regarded as a reflection of consumers' perception of a brand (Keller, 2008).
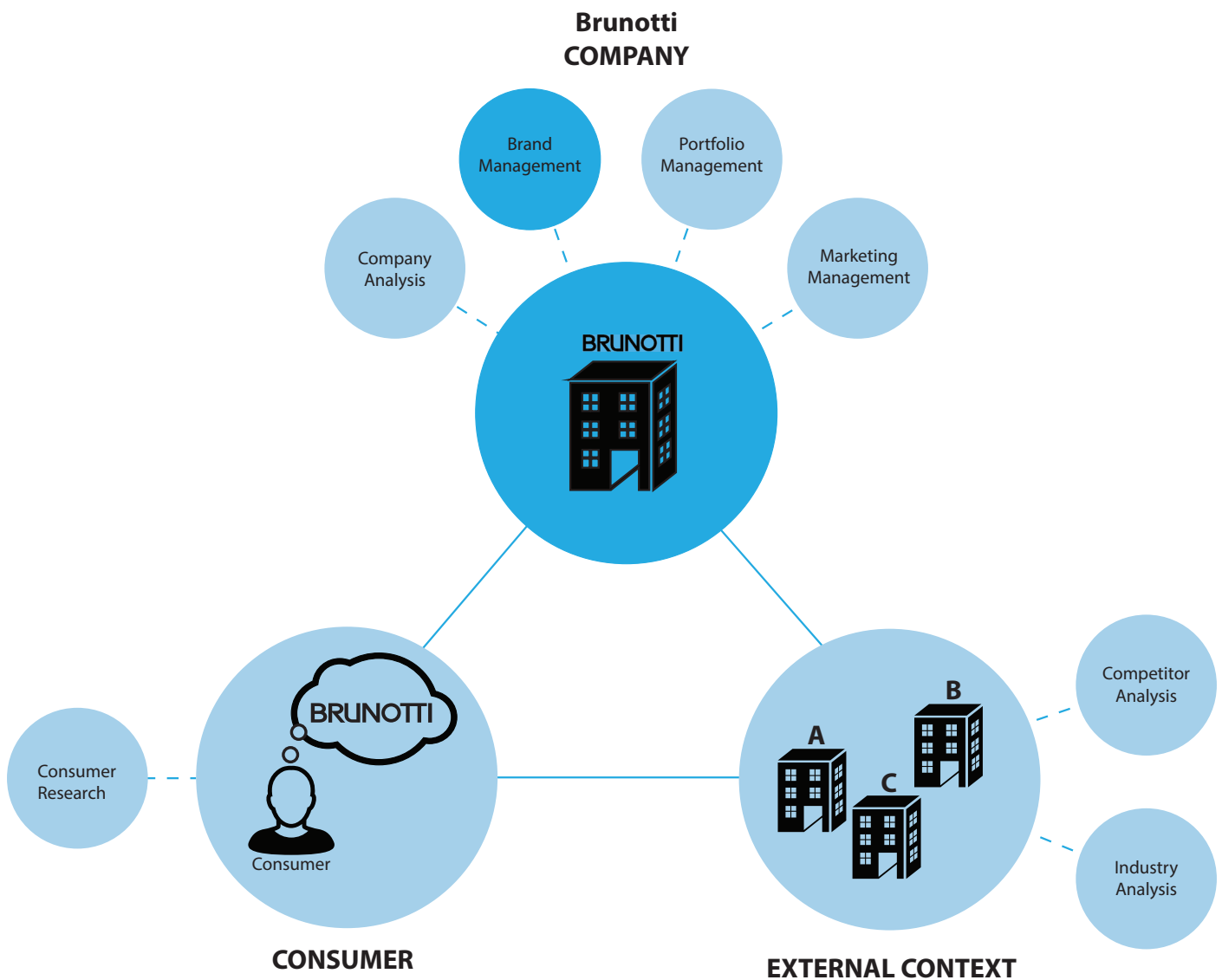

figure 1.7

1.2 Brand Management

1.2.1 Brand Equity

The brand equity model of Aaker (1996) consists of: brand loyalty, brand awareness, perceived quality, brand associations and other proprietary brand assets. In order to get insight in the current brand equity of Brunotti the five aspects of the Aaker's brand equity model will be used to reflect upon.

Brand loyalty

In general it is expensive to gain new customers and relatively inexpensive to retain existing customers. From field research at retailers it emerged that brand loyalty in the sportswear industry is very low. All retailers mention that customers generally make their purchase decision based on style and design, when choosing winter sport clothing such as jackets and snow pants (see appendix E) for the total field research). The preference for a particular brand is subordinate to the style and design of the clothing. Although brand loyalty is low, not all brands are interchangeable with each other. Within the total range of brands offered consumers have a consideration set, the brands that they are willing to buy. According to retailers, this consideration set is based on price and/or the style and image of the brands.

Brand awareness

Brand awareness, according to Keller (1993), relates to brand recall and recognition performance by consumers. Brand recognition is also called aided recall. Important is that aided recall is insufficient in generating a consumer choice itself, since consumers are not able to generate a picture of the brand without any cue. Pitta and Katsanis (1995) state that brand recall is critical for success. The level of brand awareness, in the situation were consumers are able to recall a brand without any aid, is considered to be high. Brand recall is important since it determines if a brand will be considered as a potential purchase choice. Because when a consumer is unable to recall a particular brand, the products of this brand will not be part of the consideration set of products (Pitta & Katsanis, 1995).
There is a strong suggestion from Brunotti that the brand name Brunotti is familiar to many consumers since they estimate themselves to be the largest board sports brand in the Netherlands, together with Protest. This, in combination with the availability of the Brunotti brand at more than 200 retailers in the Netherlands, makes that the brand awareness is not seen as troublesome. However, the correct association with the various products that Brunotti offers is absent (Meeberg, 2013). A part of the consumers will know Brunotti as a boardsports brand, but it is also assumed that a large part of the consumers know Brunotti only as clothing brand, without knowing the roots in boardsports.

Perceived Quality

Perceived quality is one of the key dimensions of brand equity. Perceived quality is the consideration to which a brand delivers good quality products (Aaker 1991). According to Aaker (1996) perceived quality is associated with price premiums, price elasticity, brand usage and stock return. More concrete, the perceived quality can be measured according to five criteria; the quality of the product, level of differentiation compared to its competitors, the price of the product, availability in different sales channels and the number of brand and line extensions (Aaker 1991).
Internally there is a strong suggestion that the brand is not necessarily perceived as of 'high quality', but that it is perceived as a 'below average brand', resulting from its past corporate pricing strategy. Brunotti has improved and is still improving the product quality for the whole portfolio, and raised the overall price level, parallel to the quality improvements, to evoke a higher quality perception against its competitors. However, there still is a strong suggestion that the perceived quality has effected the previous positioning strategy, where the brand positioned itself as a highly affordable brand, with a price level below the level of its main competitors. This previous strategy was reflected through relatively low priced products and availability at wholesalers and discount retailers.

Brand associations

The underlying value of a brand is often based on specific associations linked to it (Pitta & Katsanis, 1995). More concrete Aaker (1991) describes brand

1.2 Brand Management

associations as associations, which are triggered by a brand. Aaker (1991) defines five indicators for the assessment: the extent to which a brand name is able to retrieve associations from the consumer's brain; the extent to which associations are contributing to brand differentiation in relation to its competitors; the extent to which brand associations play a role in the buying process and to which brand associations are creating positive attitudes and or feelings; and lastly the number of brand extensions within the market. Pitta and Katsanis (1995) state that associations that are unique to the brand and which are strongly and favourably held in consumer memory are vital for the brands' success. However, they also state that the association a consumer holds is dependent on the personal values of this consumer and is further dependent on the individual purchase situations.

Since the brand Brunotti is regarded to be positioned in a dense field of boardsports competitors, it is likely that the products are not uniquely differentiated from the competitors. Therefore it is likely that currently clear brand associations are not present for the brand Brunotti in particular. The absence of specific associations linked to the brand Brunotti will negatively influence the brands' equity.

Proprietary brand assets
Proprietary brand assets are for example patents and intellectual property rights and channel relationships. The more proprietary rights a brand has obtained, the stronger the brands competitive position is in these areas. These brand assets become most valuable when they are able to prevent competitors from eroding the customer base and loyalty. Currently these brand assets like their relationships with retailers are not capable of establishing a stronger competitive position and Brunotti does not have other exclusive rights. Relationships with retailers vary for each retailer but are not stronger then the relationships of other brands with the retailer, mostly due to the company's size.

1.2.2 Brand image

In order to focus on the information needed for the redesign of Brunotti's brand strategy, the concept of brand knowledge is used, including the brand image and brand awareness. In this chapter, brand image will be explained. Brand awareness was described earlier in this report in the brand equity chapter (chapter 1.2.1).

According to Keller (1993) brand image can be defined as the perception about a brand as reflected by the brand associations held in the consumer memory, and shares information with the brand associations described in the brand association part. Currently Brunotti is unaware of their current brand image, but is aware that this brand image is not competitively strong or differentiating. To create a better competitive position, Brunotti is making efforts to investigate and to improve their brand image. They manifested and positioned themselves as a boardsports brand until the introduction of the 2014-brand-strategy. Therefore Brunotti believes that a part of their customers know Brunotti as a boardsports brand, but a considerable amount of customers will only know Brunotti as a clothing company. However, in depth knowledge on how the brand image is absent. On the other hand, there is a strong suggestion that the brand image of Brunotti is affected by the previous pricing strategy and could be associated with low quality products.

According to (Keller, 2008), brands have dimensions that differentiate them from other products designed to satisfy the same need. These differences can vary from rational and tangible, or symbolic, to emotional and intangible. As mentioned in the company analysis chapter (conclusion company analysis), Brunotti is regarded as a company with a "stuck in the middle" strategy, to be neither different nor lower in cost than its competitors, since its departure from a pure boardsports brand. Therefore it is expected that the brand image, which already is regarded as not competitively strong, will have low chances to improve.

1.2 Brand Management

1.2.3 Brand management organization

The internal observations and interviews showed that the brand management of the brand Brunotti is divided over multiple persons with different disciplines, which together form the Brunotti brand team. The team consists of the CEO, director development, head of design and marketing. This team controls the manifestations of the brand Brunotti (figure 1.8). Even though they are part of the same team, all team members do have own interests, since they all have their own responsibilities within the company. Therefore it is most likely that, due to personal responsibilities, none of the team members has the ability to form an objective vision on the brand management. With the absence of a person who is assigned with the primarily task, and in most cases only task, to secure the brands' image, there is no person within the company that objectively conducts the brand management.

Brunotti
Brand Team
CEO
Marketing
Design
Development

figure 1.8

Conclusion brand management

Brand equity & brand image
The brand loyalty within the industry is low, and creating loyalty in this industry is difficult. In addition Brunotti does not have a strong relationship with its customers and is lacking the means to do so. The awareness of the brand Brunotti is regarded as good and is not seen as troublesome, also due to the more than 200 retail locations. The perceived quality is currently unknown, however management has a strong suggestion that the brand is regarded as a 'below average brand' in respect to quality, due to previous pricing strategies. Although Brunotti improved quality and increased prices, the perceived quality is expected to remain low. The brand associations connected with Brunotti are expected not to be specific associations for Brunotti, but for the dense field of boardsports brand where Brunotti is in. In addition, it is assumed that there is a large group of consumers that only know Brunotti as a clothing brand without specific associations linked to it. The level of proprietary brand assets are minimal and do not give Brunotti any competitive advantages. Concluding, with several aspects of the brand equity being low or unknown, the brands equity is concluded to be not competitively strong. Also the brand image is regarded as competitively strong. With the 'stuck' in the middle strategy it can be concluded that the brand equity and brand image, will have low chances to improve.

Brand management
Currently there is a brand team responsible to control the brands manifestations. However, due to the different interests of the team members none of them has an objective vision on the management of the Brunotti brand. Therefore there is no person within the company who objectively conducts the management of the brand.

1.3 Portfolio Management

This chapter about portfolio management is divided into two parts: the analysis of Brunotti's portfolio and of the management of this portfolio. The main goal of the analysis was to obtain insight in the brands' portfolio, which makes it possible to determine the ideal product portfolio by comparing this with the results of the market analysis and the consumer research. The insights acquired about the management of the portfolio served as input to provide recommendations to make future portfolio management more effectively. (figure 1.9)
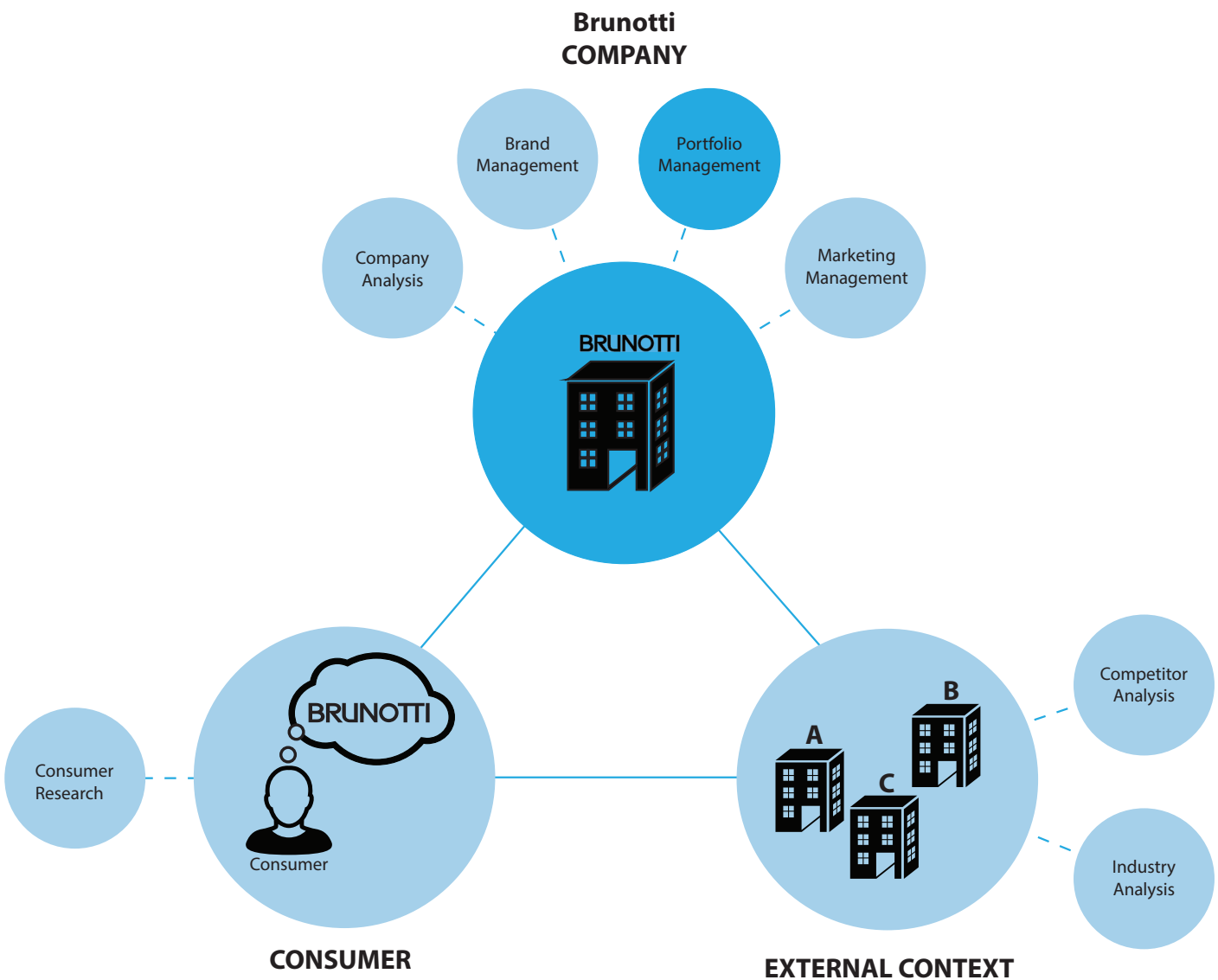

figure 1.9

1.3 Portfolio Management

1.3.1 Portfolio analysis

Brunotti's portfolio could be considered as being relatively broad and diverse in respect to the size of the company. This broad and diverse portfolio is the result of the new 2014-brand-strategy to serve a larger target group. Brunotti's product portfolio consists out of boards, clothing (apparel), footwear, bags, eyewear & helmets (Brunotti, 2013). Stationery has been deleted from the portfolio as of 2014.

Boards account for 0.5% of the total sales. Clothing is, with 87%, the largest part of Brunotti's product portfolio. The clothing portfolio consists of 65% men/woman, 15% junior clothing and 20% NOOS products. The remainder of the sales will account for accessories (helmets, bags, eyewear, footwear) and stationary. The in 2013 introduced NMTC fashion collection and the underwear collection do not have sales results yet.

Boards

The roots of Brunotti lie in the development and production of windsurf boards. Though Brunotti has grown into a clothing company, boards are still part of their portfolio. The boards portfolio has moved to kite boards, and is complemented with wake and wave boards. The industry of kite and wake boards is small, which also counts for the turnover made with boards by Brunotti. This turnover is 0,5% of Brunotti's total sales. Recently Brunotti added longboards to their boards' portfolio. With long boards Brunotti is intending to have a board that is easily accessible for the mainstream market, due to the price and it's urban use.

Figure 1.10 - Brunotti Boards: longboard, kiteboard, waveboard

1.3 Portfolio Management

Apparel Portfolio

The apparel portfolio consists of four segments based on internal segmentation:

- Sports
- No Matter The Condition (NMTC, functional fashion)
- Never Out Of Stock (NOOS, basic clothing)
- Body fashion

Sports Collection

The sports-segment includes jackets, T-shirts, sweats and trousers, for women, men and children, for both the summer and winter collection. The winter collection mainly consists of snow-jackets and snow-pants for winter sport. The winter jackets are the company's most successful product. The most successful products for the summer collection are the swimwear products, swim shorts and bikinis. The sports collection is mainly sold via sport retailers.

Fashion Collection

The fashion collection within Brunotti is called NMTC (no matter the conditions). This collection is aiming to be the fashion line of Brunotti's portfolio. Currently there are no clear sales results yet of the NMTC collection, since the collection was recently brought to the market. The fashion collection of Brunotti is sold at fashion retailers and department stores. The collection is designed with the intention to be functional fashion. The functional aspect is rooted in the heritage of being a boardsports brand. The Italian style is the guidance for the fashion.

NOOS Collection

Next to the NMTC collection Brunotti introduced the NOOS (never out of stock) concept in 2012. This NOOS collection consists of 'basic' apparel items, like t-shirts, sweats, pants and shorts. In terms of style this collection is safe since its trend sensitivity is low. The core of the concept is that retailers do not have to buy the NOOS collection in advance in a determined quantity. The NOOS collection is kept in stock by Brunotti and can be ordered at any time by the retailer. This concept is relatively safe for retailers since they do not have to invest in a large amount of items. This is assumed to be the main reason for the success of the NOOS collection, which has gained a 20% share of the apparel's total sales.

Body Fashion

The Body fashion portfolio consists of men's underwear and was launched in the second half of 2013. This portfolio will also be offered to the retailers according to the NOOS concept. Brunotti is confident that there is an opportunity for Brunotti in the underwear market; since their current distribution channels do offer shelve space, and therefore an opportunity to sell underwear. The decision to extend the portfolio with underwear is mainly driven by the fact that underwear could be distributed via the already existing distribution channels. Furthermore, there was the demand to offer a more complete clothing portfolio.

Figure 1.11 - Polo's from the NOOS collection

Non-apparel Portfolio

Next to the apparel portfolio there is the portfolio of **footwear, bags, eyewear** and **snow-helmets & snow-goggles**. In all industries Brunotti is a negligible player. The existence of the footwear, bags and eyewear collections is mainly based on strategic motivations rather than financially. All three collections only generate minor earnings, but are aimed at broadening the different type of retail channels and thereby increase the brand exposure. All three collections are developed and produced under the licence of Brunotti by external companies, which is financially attractive since Brunotti's investments are low.

The snow-helmets and snow-goggles portfolio is regarded as a portfolio with a high growth potential by Brunotti. Helmets and goggles do have a close fit with the company's core business and Brunotti sees opportunity to differentiate itself within the industry

via particular aspects of their DNA, such as using colourful designs. Brunotti is investing in the expansion of its current portfolio of helmets and goggles and is targeting to become a notable brand within this industry.

Stationary

The stationary collection has been discontinued since 2014, but had been part of the product portfolio for a few decades. This collection consisted of school agenda's, notebooks, and stationary-cases, aimed at bringing the youth in touch with the brand Brunotti at an early stage. However, the stationary collection did no longer fit with the 2014-brand-strategy, in becoming a mature brand. The stationary collection was only used for brand exposure, and financially it was negligible in respect to the total sales.

Figure 1.12 - Example of a summer jacket

1.3.2 Portfolio Management

The current product portfolio can be considered relatively broad and the strategy is to expand it further, in order to offer the most complete portfolio as possible within the sports industry. In the light of portfolio management a broad and large product portfolio has certain advantages and disadvantages. Product proliferation is widely spread in many industries. Bordley (Bordley, 2003) indicated the two main advantages. First, highly diverse product lines enable firms to satisfy the needs and wants of heterogeneous consumers more precisely. Second, highly diverse product lines can also deter new firms from entering the market. The latter advantage is less applicable on the product expansion of Brunotti, since a relatively small player in this industry is unable to achieve this.

Though, in addition to the advantages of product proliferation mentioned by Bordley (2003), product proliferation is used to establish relatively easy sales growth. Especially in the apparel industry, where Brunotti is a small player, it is plausible that a brand can easily add a new product line by capturing a negligible market share in this particular segment. This results in short term sales growth for the company, without disturbing the existing market (Walker et al., 2008). However, for the long term it is questionable if the portfolio expansion can lead to structural sales growth in addition to the initial growth, since the initial sales growth was possible because Brunotti could

capture a negligible market share as a new entrant. To establish structural growth in sales and market share, a well-established brand is needed, since those brands usually have a well-established brand image. The brand extension positively benefits from this brand-image, which creates a stronger competitive position for this extension (Pitta & Katsanis, 1995). Furthermore, Walker et al. (2008) indicate that long-term structural sales growth is more difficult, since the differentiation of the brand becomes more important to achieve structural sales growth. With Brunotti regarded as having a "stuck in the middle" brand strategy, to be neither different nor lower in cost than its competitors, as described before in the company analysis, the differentiation of the brand is not sufficient to support long-term structural growth by using the brand extensions.

The extensions of Brunotti's portfolio are brand extensions. Keller & Aaker (Keller & Aaker, 1992) define brand extension as the "use of established brand names to enter new product categories or classes". Brunotti uses the Brunotti brand name to enter the product category of fashion, which is new for Brunotti. Recently, Brunotti already used brand extension to enter the product categories of footwear, underwear, eyewear and bags and is a negligible brand in these categories (figure 1.13). It is not likely that these extensions will positively benefit from the brand name Brunotti to realize structural sales growth, since the brand image of Brunotti is considered not to be very well established. This also relates to the problem of the "stuck in the middle" strategy.
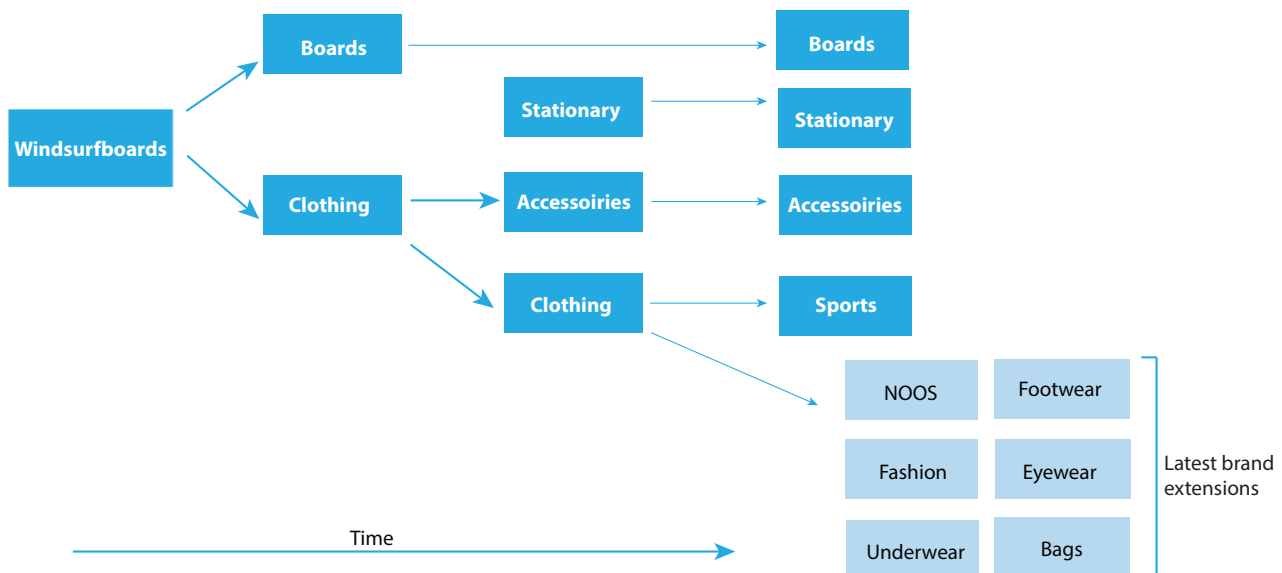

Figure 1.13 - Overview of brand extensions over time

1.3 Portfolio Management

BCG portfolio model

In order to analyse the advantages or risks of Brunotti's brand extensions, the Boston Consultancy Group's growth-share matrix (BCG-matrix), adapted by Walker et. al. (2008), is used. The BCG-matrix analyses the impact of investing resources in different businesses on the corporation's future earnings and cash flows (Walker et al., 2008). On the vertical axis the market growth rate is placed and on the horizontal axis the relative market share. Based on the internal information from Brunotti (Straathof, 2013) the BCG-matrix was completed (figure 1.14).

The four different cells represent each a different type of business. Each cell, with the products and its possible concerns, are shortly described according to the adaption of the BCG-matrix by Walker et.al. (2008). Due to the nature of the apparel industry, the market growth rate is focused on Brunotti. The market growth rate of the apparel industry is mainly present in emerging markets, and is therefore found on geographical terms (Remy et.al., 2014),

Stars

Stars are critical to the continued success of the firm, with high growth rate and a high relative market share. In this business Brunotti's sports collections are located. These include the winter and summer sports collections.

Question marks

This cell contains the businesses with high growth rate but low relative market share, and requires large amounts of cash. The underwear, summer sports/life style and the helmets and goggles collection have the most potential to be transferred in to 'stars'. Brunotti's winter fashion collection has however a lower relative market share, making it a question mark with higher risks.

Cash cows

Cash cows are the primary generators of profit and cash. This cell includes parts of Brunotti's sport collection. However the Brunotti boards is an exception on the generation of profit and cash, since it is a niche market and earnings are low.

Dogs

Dogs are low-share businesses in low-growth markets. They typically generate low profits or even losses. The fashion collection is a dog business. Divestiture is an option for this business. Another option is to harvest the dog businesses. Almost all of Brunotti's accessories are classified as dogs, however the accessories do not generate losses since they are mostly produced under licence.

Figure 1.14 -
BCG portfolio model

1.3 Portfolio Management

1.3.3 Portfolio Decision-Making Process

Creating the brand strategy also involves managing the decision making process to effectively execute the brand strategy. Via internal observations and information gathered during meetings, discussions and interviews at the company, insights were obtained about how the decisions are made and executed. The portfolio decision-making model of Kester et.al. (2011) (figure 1.15) is used to describe and analyse the current situation in the decision making process within the company. Not only the portfolio decision-making process in new product development (NPD), but also the decision-making processes in general are analysed, like decisions on marketing activities (i.e. sponsorships). Insight in the portfolio decision-making effectiveness is important because with high portfolio decision-making effectiveness a company will achieve the

highest return for the development dollar investment, and achieves a balance of investments in more or less risky projects (Kester et.al. 2011). Although the article of Kester et. al. (2011) is describing the portfolio decision making process in NPD, the model can be used to also analyse decision making processes for Brunotti, since the principle of this model is not limited to portfolio decision making in NPD alone, and portfolio decision making is an ongoing process that includes decisions on NPD projects of Brunotti.

For the analysis of the portfolio decision-making in this project the general model of portfolio decision making is simplified, since the complete model is too extensive for this analysis. To gain insight in the portfolio decision-making effectiveness the cultural factors are discarded from the original model. The decision input generating processes are the starting point for this analysis of the portfolio decision-making process.
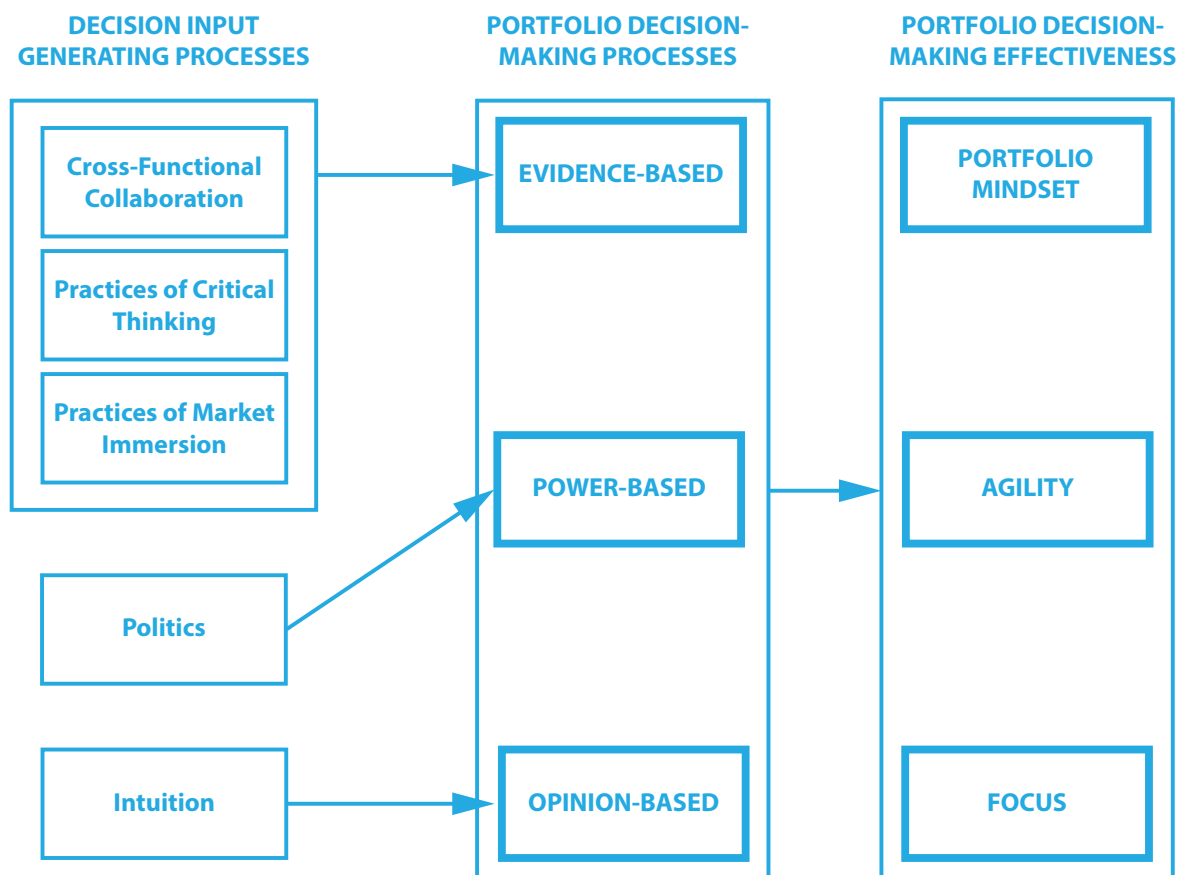

Figure 1.15 - General portfolio decision making model adapted from kester et.al (2011)

34

1.3 Portfolio Management

Portfolio decision-making pracesses:

Evidence-based
The decision input generating processes, leading to evidence-based decision making, consists of three constructs, namely cross functional collaboration; practices of critical thinking and practices of market immersion. In general, evidence based decision-making can be regarded as moderate, based on these three constructs.

The construct of cross-functional collaboration can be regarded as moderate. Design, product management, marketing and sales mainly approach each other during managerial meetings. Since the company is small, people from different departments could easily get in contact with each other, which occurs on a regular basis. More specific, design meetings mainly take place with design and product management and without the participation of sales. In these meetings more detailed decisions are made on the product portfolio, the style of products and possible product additions and cancellations. Sales could deliver valuable information from market perspective to fully use the cross-functional breadth of experience and expertise as input to analyse and make decisions (Kester, Griffin, Hultink, & Lauche, 2011).

The practice of critical thinking could be regarded as moderate. The presence of factual evidence varies. Sales results, the actual numbers as well as feedback from retailers, form the main input for the objective decision-making. Next to this there are the fashion trends that have influence on the decision-making. Which, due to the nature of the industry, have a strong influence on the decision-making, Brunotti is a market and trend follower (Bergsma, 2014). Therefore the presence of factual evidence varies, resulting in decisions that are not all objective. Furthermore, technological risks are low and are not taken into account. Since the development costs and costs of prototypes are relatively low, products can be cancelled without any risks. Market risks are not taken into account strongly. The growth and expansion goals are relatively strong, portfolio extensions, which show a possibility for

profitable products, are considered for development.

Considering the practices of market immersion, the presence of objective decision-making in the fashion industry varies. Not all people across all the functions have detailed personalized market knowledge at both micro and macro level. At micro level, detailed understanding of customer needs and the importance of each need are not fully present in the company. Information at micro level is gathered via store visits where competitor products are gathered and analysed and contact with retailers serves as input. But no information from the actual customer is gathered on a regular basis. Information on design style is mainly based on fashion trends set by influential designers, and current design of the competition.
On macro level Brunotti has aggregate market knowledge about competitor price points, market size, market potential and general trends. However, the knowledge is limited on growth rate and competitor shares. Brunotti does gather information via retailers about successful competition products and Brunotti has a close look on competition. Management indicates that Brunotti is a 'market-follower' company, which does not set the trends but follows the competitions actions. Both on micro and macro level Brunotti does not have full knowledge.

Power-based
Events from the past have indicated that decisions for selecting particular sponsorship were driven by personal interests and were strengthened by the person's position in the company. Stakeholders also influenced these decisions. Several sponsorships did not have a link with the past and current brand strategy. Next to that, negative advice was given for several sponsorships, however it did not effect the decisions on these particular sponsorships. It can be concluded that in general power-based decision-making is executed in certain situations. The presence of power-based decision making can be regarded as moderate.

Opinion-based
The design of clothing is subject to the personal preference of the designers, since the design of

clothing is to a great extend based on trends within the fashion industry. The presence of personal preferences and interpretation in the decision-making are in the nature of the fashion industry. It is relatively easy to form and address own opinions since the design of clothing is based on personal preferences, and is open for interpretation. In general, these individual opinions are not controlled via the overall brand strategy, which leads to opinion based decisions that are not or loosely linked with the brand strategy. The decisions on the collection (the product) portfolio are also subject to own interpretation of what has the potential to be successful. Sales results of previous seasons are used as input for the decision-making, but decisions are to a large extent based on the opinion of which trends and styles will be successful. Opinion based decision making can be regarded as high.

Portfolio decision-making effectiveness:

Portfolio mindset
Management has understanding of projects in the NPD portfolio. The firm's new strategy is developed in such a way, that all ongoing NPD projects are aligned with the strategy. However, possible new NPD projects that are considered, which are not aligned with the firm's strategy, could still be accepted as potential projects if they are likely to be profitable. Therefore decisions on the NPD portfolio are not necessarily aligned with the firm's long-term strategy. Management acknowledged

that they allowed a highly broadened product portfolio, in order to bring a large amount of products on to the market, with the note that they afterwards see which products are successful. The decisions made on the portfolio of sponsorships are in several cases not aligned with the firm's strategy, but are accepted via power-based decisions. It can be concluded that the company's portfolio mind-set can be regarded as low.

Focused effort
Effective portfolio decision-making is focused on the link between short-term actions and long-term goals to make decisions. From the observations it comes forward that the link between short-term actions and long-term goals is moderate. Several short-term actions, such as one-time sponsorships in music and the allowance to bring a large amount of products into the market to see which products are successful, do not have a link with the firm's long-term goals. The focused efforts can therefore be regarded as low.

Decision-making agility
Portfolio decision-making is more effective when firms can make decisions quickly, and when they can quickly eliminate a project that no longer strategically fits the portfolio. The firm's size and the low threshold communications allow Brunotti to make decisions quickly. In addition to that, NPD projects in the apparel industry are generally not associated with high investments. The agility in the portfolio decision-making in general can be regarded as strong.

Conclusion portfolio management

Portfolio management

Brunotti has expanded its portfolio in recent years and is still expanding. With the product proliferation Brunotti is able to realize short-term sales growth relatively easy. However it is not likely that these brand extensions will positively benefit from the Brunotti brand name to realize structural sales growth, since the brand image of Brunotti is considered not to be very well established. In addition, with Brunotti regarded as having a "stuck in the middle" brand strategy, to be neither different or lower in cost than its competitors, described earlier in the company analysis (see conclusion company analysis), the differentiation of the brand is not sufficient to support long-term structural growth by using the brand extensions.

Portfolio decision making process (figure 1.16)

Brunotti has market knowledge on macro level and micro level, however they do not fully understand the customer needs on micro level. Therefore evidence-based decision-making is regarded as moderate. The presence of power-based decision-making can be regarded as moderate, since it is partly applicable for the sponsorship portfolio. Opinion-based decision-making is regarded as high, since decisions on the collection (the product) portfolio are also subjected to own interpretation of what has the potential to be successful. Management acknowledged that decisions on the NPD portfolio are not necessarily aligned with the firm's long-term strategy. Therefore portfolio mindset can be regarded as low. Additionally various short term actions are conducted with no link with the long-term goals, leads that the focussed efforts can be regarded low. Brunotti is able to quickly make decisions on projects to strategically fit the portfolio. Therefore the agility is regarded to be high. With the portfolio mindset and the focused efforts being considered as low, the effectiveness of the portfolio decision-making by Brunotti is considered to be low. Herewith the return for the development dollar investment is likely to be low and will not bring Brunotti the best possible financial results, and possibly even losses. Therefore recommendations to increase the portfolio decision-making effectiveness are required, to achieve the highest return for the development dollar investment, and to achieve a balance of investments in more or less risky projects.
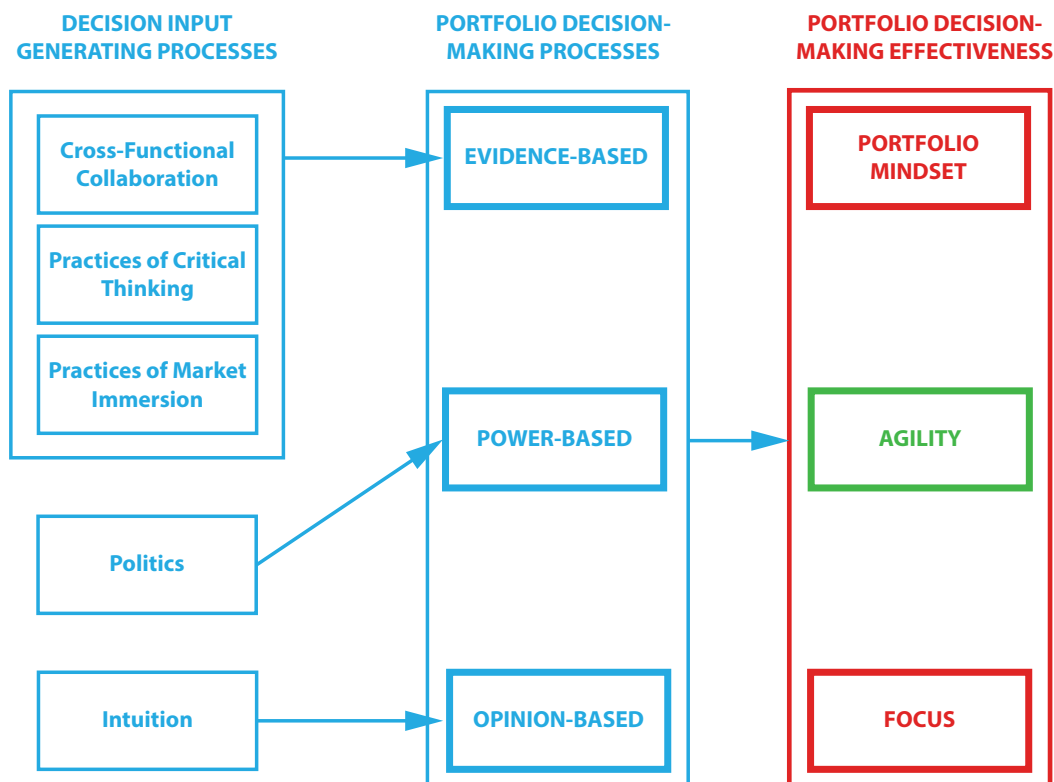
Figure 1.16 - General portfolio decision making model adapted from kester et.al (2011). Visualizing low portfolio effectiveness (red), but high agility (green).

1.4 Marketing Management

This chapter describes the analysis of the marketing management of Brunotti. The current marketing tools of Brunotti were analysed, including the analysis of Brunotti's distribution channels, which also include marketing tools of Brunotti because of the Point Of Sale material (POS) inside the shops. The conclusion of this analysis part will be combined with the results of the consumer research and market research in order to provide recommendations for marketing management and concepts for future marketing tools and activities. (figure 1.17)
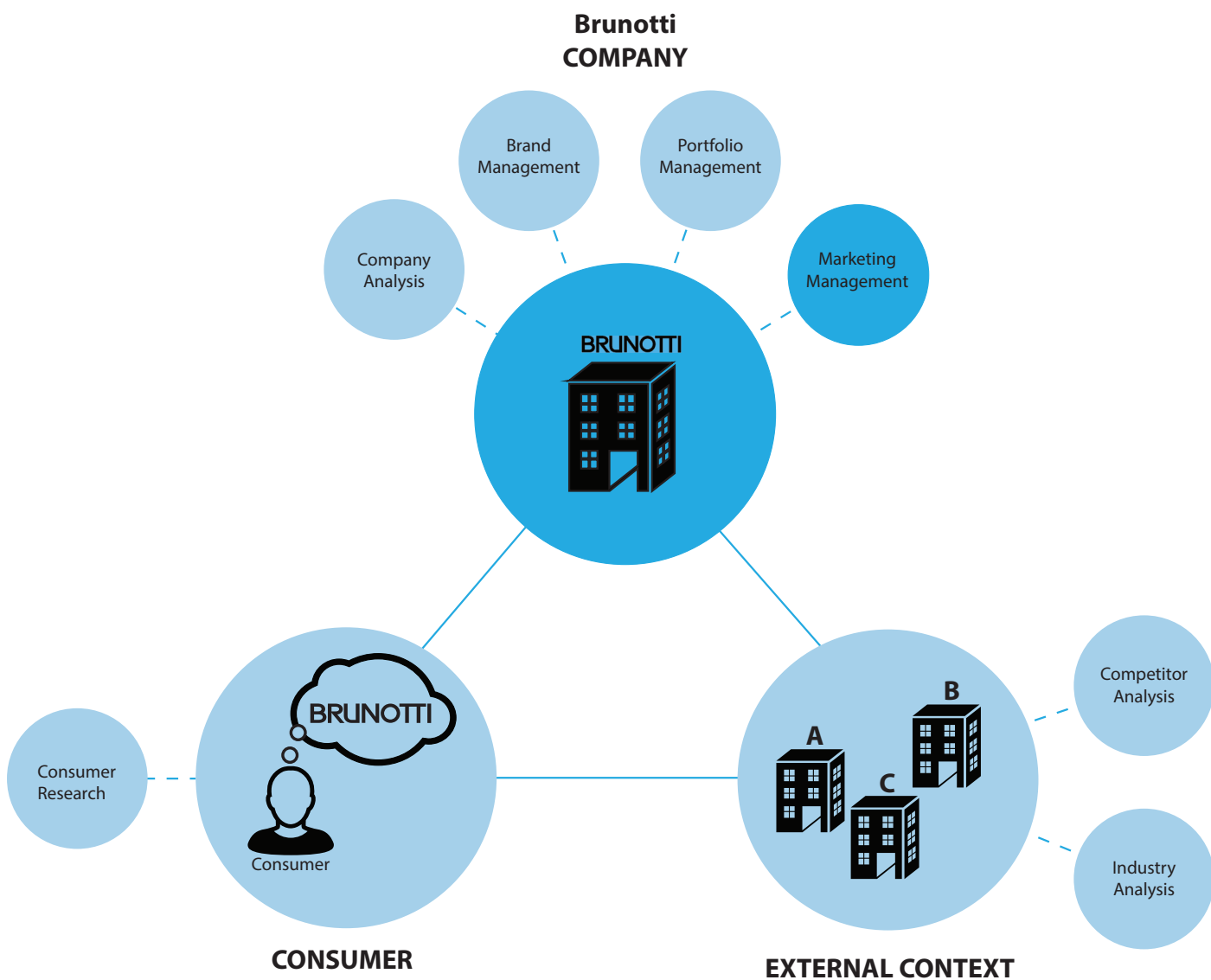
figure 1.17

1.4.1 Marketing communication tools

Brunotti's marketing team exists of two persons, supported by interns. The core of Brunotti's marketing is directed by one person. The marketing communication tools of Brunotti are: in-store communications, the point of sale materials (POS); retail advertisement, outdoor media; sponsorships and social media. At this point the largest part of the marketing budget and time is invested in in-store communications. Brunotti considers that the moment of the purchase decision will mainly take place in the physical store (Mulder, 2013). Therefore Brunotti invests the largest part of their marketing budget in in-store communications. Out-door media is the second main marketing tool, this includes billboards and abri's. Another part of the marketing investments is dedicated to sponsorships. From origin sponsorships have been an important tool for their marketing communications. These sponsorships were mainly focused on boardsports, the sponsorship of wind and kite-surf events/tournaments and team riders. These team riders represent Brunotti during events and will expose Brunotti to the audience of that particular event. Brunotti's team riders include Youri Zoon, world champion kite surfing in 2012.

Brunotti has experienced a decreased interest in boardsports events by consumers. Therefore the effectiveness of these sponsorships is questionable. Additionally smaller and short initiatives have been conducted like radio commercials.

Social media has been a subordinate marketing communications instrument used by Brunotti. Brunotti is currently active on social media; however there has not been a strong focus on social media in the past. Brunotti is planning to increase their investments on social media (Brunotti marketing plan 2013). Traditional media and social media have an significant impact on brand equity (Bruhn, Schoenmueller, & Schäfer, 2012). Bruhn et. al. (2012) found that traditional media has a stronger impact on brand awareness then social media, while social media communications have a stronger influence on brand image compared to the traditional media. Brunotti is focusing on improving their brand awareness and brand image, where the latter one is the most important for Brunotti. Therefore the investments on social media are favourable for the improvement for Brunotti's brand image.

figure 1.18 - Examples of POS material

1.4 Marketing Management

figure 1.19 - Examples of POS material in the store

1.4 Marketing Management

1.4.2 Distribution

Brunotti does not own private stores; their products are sold via retailers. Brunotti is changing its current 'traditional' distribution strategy, which was mainly based on board and sport/fashion shops. Brunotti noticed that sport retailers and sport/fashion retailers are focusing more specifically on either sport or fashion (Dijkema, 2013). Besides that, Brunotti wants to improve the brand awareness via broader brand exposure and availability. The combination of the development in the strategy of the retailers and the desire of Brunotti resulted in a new distribution-based strategy for their sales. This new distribution strategy results in more types of distribution channels and higher availability of the Brunotti products. These different distribution channels all have their own customer base and own image. This will result in a fragmentation of the brand Brunotti, which is not desirable when improving the brands' image.

The type distribution channels:
* Sport
* Boards
* Fashion
* Body Fashion
* Tax Free
* Footwear
* Bags

E-Shop

Brunotti does not own private stores, but it exploits its own online shop, the Brunotti E-shop. The online shop does not contribute to the profit of Brunotti Europe BV. Also the costs of operating the online store are relative high and currently the targets for the online store are set to reach the break-even point. The Brunotti online store is mainly seen as an online marketing tool for Brunotti, which gives the opportunity to show its total collection and to function as a platform which purely shows Brunotti's products (Klop-Schuin, 2013).

Conclusion

The marketing communication tools of Brunotti are: in-store communications; retail advertisement, outdoor media; sponsorships, social media. The in-store marketing communications are regarded as the most important marketing tool for Brunotti. The mass media marketing of the brand is done by outdoor media, which is seen as less important than the in-store communications. The sponsorships of Brunotti are considered to reach a very small audience. Social media seems to be a highly promising marketing tool to improve the brands exposure. To improve brand awareness via the brands' visibility and a changing focus of retailers, Brunotti has extended the amount of different types of distribution channels, with the risk of the fragmentation of the brands' image. The online store of Brunotti is only regarded as a marketing tool.

2 EXTERNAL CONTEXT

The external context chapter consists of the industry analysis and the competitor analysis. The industry analysis was conducted by using the model of Porter's 5 forces. The analysis of the competitors consisted of their strategic positioning and their corporate financial strength and size. (figure 2.1)

Figure 2.1
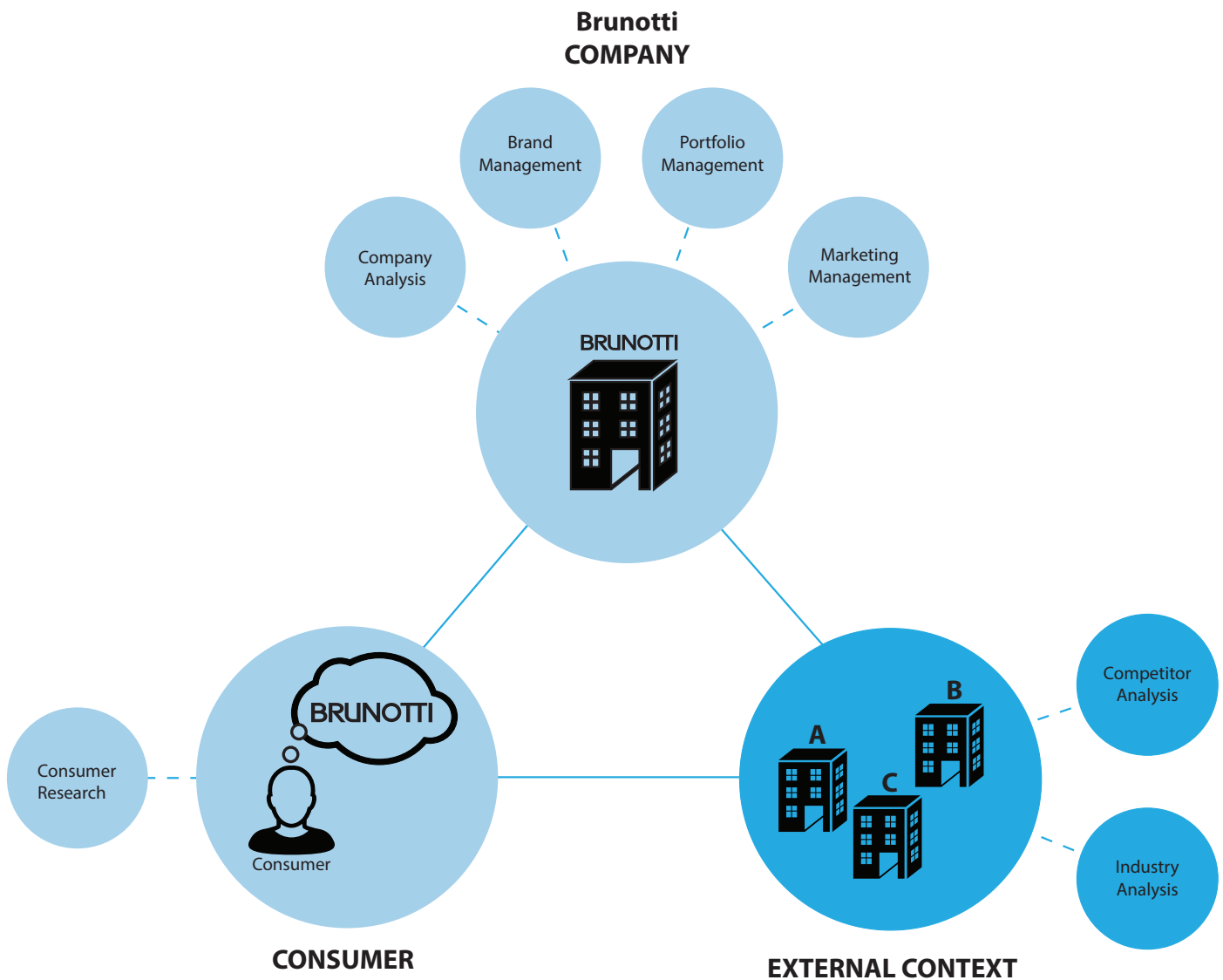
2.1 Competitor Analysis

The competitor analysis obtains insights in Brunotti's competitors. Based on the 2014-brand strategy Brunotti's competitors can be found in the boardsports, sports and fashion industry. (figure 2.2)
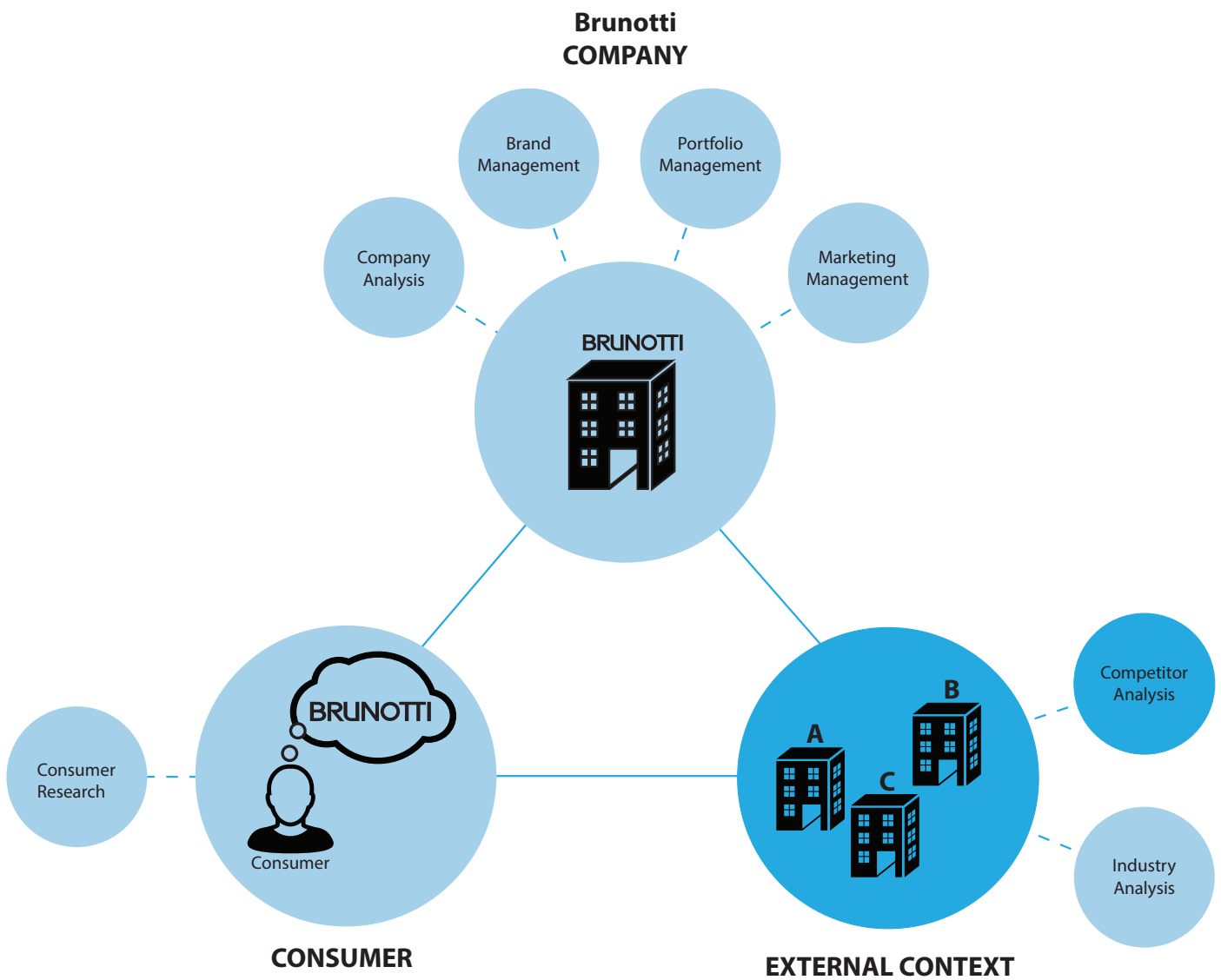

figure 2.2

2.1 Competitor Analysis

Competitor analysis

Traditionally, based on the old-brand-strategy, Brunotti found its main competitors in other boardsports brands. These brands currently remain Brunotti's main competitors. In recent years outdoor brands were also considered as competitors, based on the classification that these brands offer functional clothing. With the recent portfolio extensions into fashion and a focus on sports, fashion brands and sports brands are now considered as competitors too. Brunotti's competitive scope is therefore broad (Walker et al., 2008). Figure 2.4 shows an overview of the brands that could be regarded as competitors, classified in four groups: boardsports, outdoor, fashion and sports brands. Brunotti regards the selected brands as the most interesting competing brands.

Boardsports competitors

The traditional competitors of Brunotti are the boardsports brands. These brands are also active and rooted in the boardsports and all express the boardsports lifestyle in their general brand manifestations and their product portfolio. According to their own estimations, together wih O'Neill, Brunotti holds the largest market share in the Dutch market. However, within the total European market Brunotti, is a small player with a yearly turnover of 23 million euros compared to market leader Quiksilver with 260 million euro's. Figure 2.3 shows an overview of the yearly turnover by the boardsports brands.
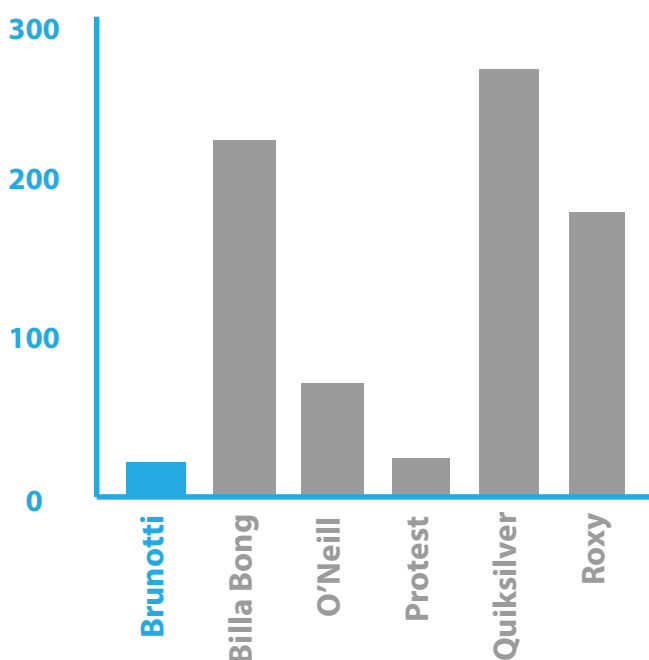
Competitors in fashion

Since Brunotti started a new collection specifically in fashion the amount of competitors increased in addition to their 'traditional' competitors. These new competitors are all primarily active in the fashion industry. Brunotti determines these competitors according to the segment where Brunotti wants to position its fashion collection. These brands include: River Island, Scotch & Soda and Superdry. These are generally premium fashion brands with (well) established names. Since Brunotti is entering this new market, the risks for Brunotti are high and its position is weak, as described in the company analysis (see chapter 1.1.6). Also financially these determined competitors are well-established brands. Superdry reported a yearly turnover of more than 440 million euros in 2013 (SuperdryGroup, 2013) and River Island almost 1 billion euros (RiverIslandClothing, 2013). Next to these brands, value-brands as H&M could also be regarded as competition, since these brands are aggressively competing in the fashion industry as a whole. Brunotti will encounter a highly challenging assignment to position itself in the fashion market.

Competitors in sports

Brunotti's 2014-brand-strategy is aimed at transferring the brand from the pure boardsports orientated brand into a 'general' sports brand. Within this market a large amount of competitors is active. Since Brunotti is focused on becoming a notable sports and fashion brand, the competition was found in brands that not solely focus on sports. Mostly the large brands like Nike, Adidas and Bjorn Borg are active in both industries. Here too, Brunotti is facing a challenging assignment to position itself in the sports market.

figure 2.3 - Overview of yearly the turnover (in millions €) by boardsport brand

2.1 Competitor Analysis

figure 2.4 - Brunotti's competitors divided in four categories
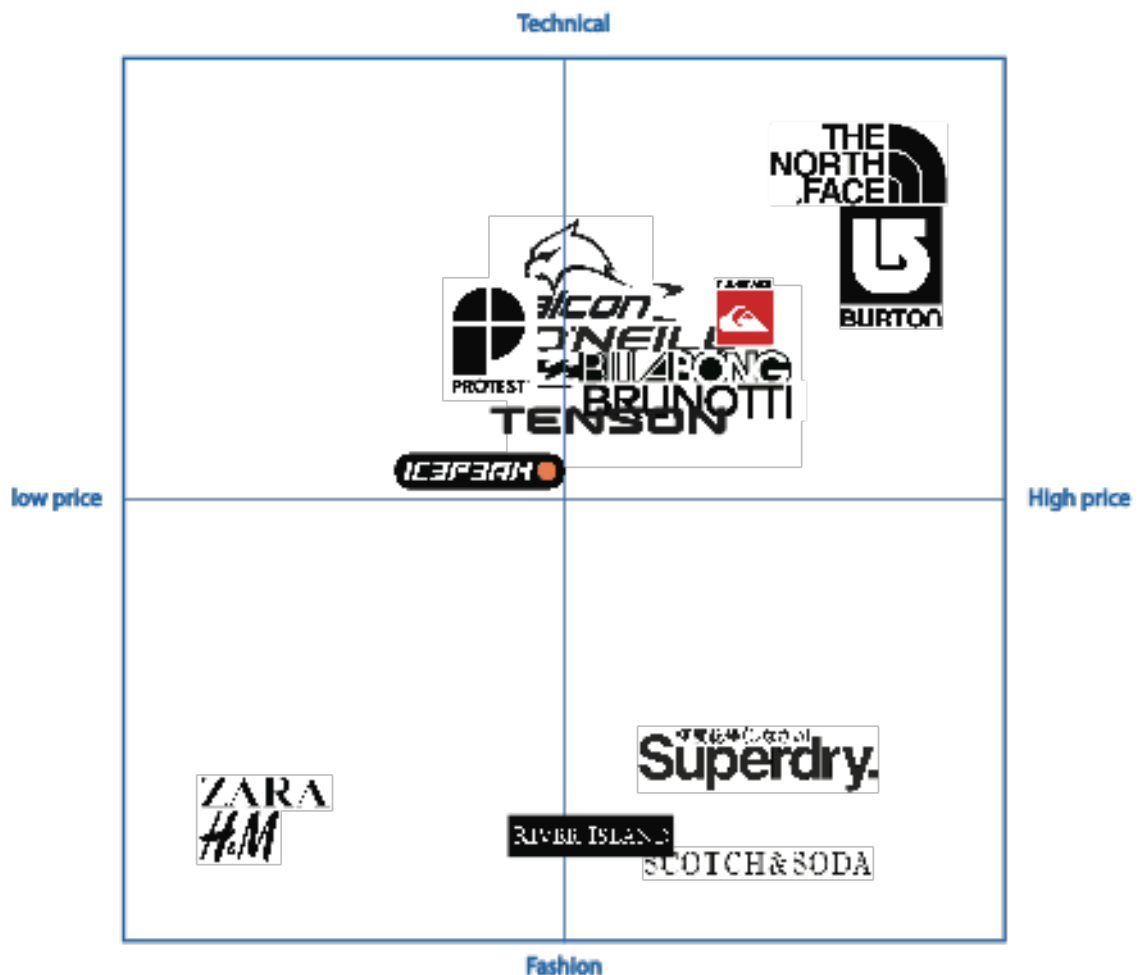
figure 2.5 - positioning grid based on low-price to high price and fashion to technical

2.1 Competitor Analysis

Brand positioning

To gain insight in the current positioning of Brunotti, compared to its competitors, a positioning grid was created, with the information available from the company analysis phase. This grid includes sports brands and fashion brands, which were positioned on an axis from fashion to technical and on price. These axes were chosen based on the importance of the purchase aspects for the Brunotti apparel. (See figure 2.5)

The grid clearly show that Brunotti is operating in an area where many competitive brands are active. From this grid it can be concluded that the current positioning on the rated aspects does not give Brunotti a clear distinction. Therefore it is important to investigate if Brunotti should move on these axes and/or find other aspects for the differentiation from its competitors. It can be concluded that there is a necessity to create a positioning to differentiate itself and/or standout within this cluster of brands. The current strategy of Brunotti indicates that Brunotti wants to move away from the typical technical positioning to a more fashionable positioning. It should be noted that the strongest products, that are also responsible for a large part of the yearly turnover, are the technical winter jackets, belonging to the sports collection.

2.2 Industry Analysis

The industry analysis obtains insights in the industry attractiveness for Brunotti via Porters five forces for the industry attractiveness. Brunotti is competing with boardsports, sports and fashion brands, therefore these industry's are analysed. (figure 2.6)
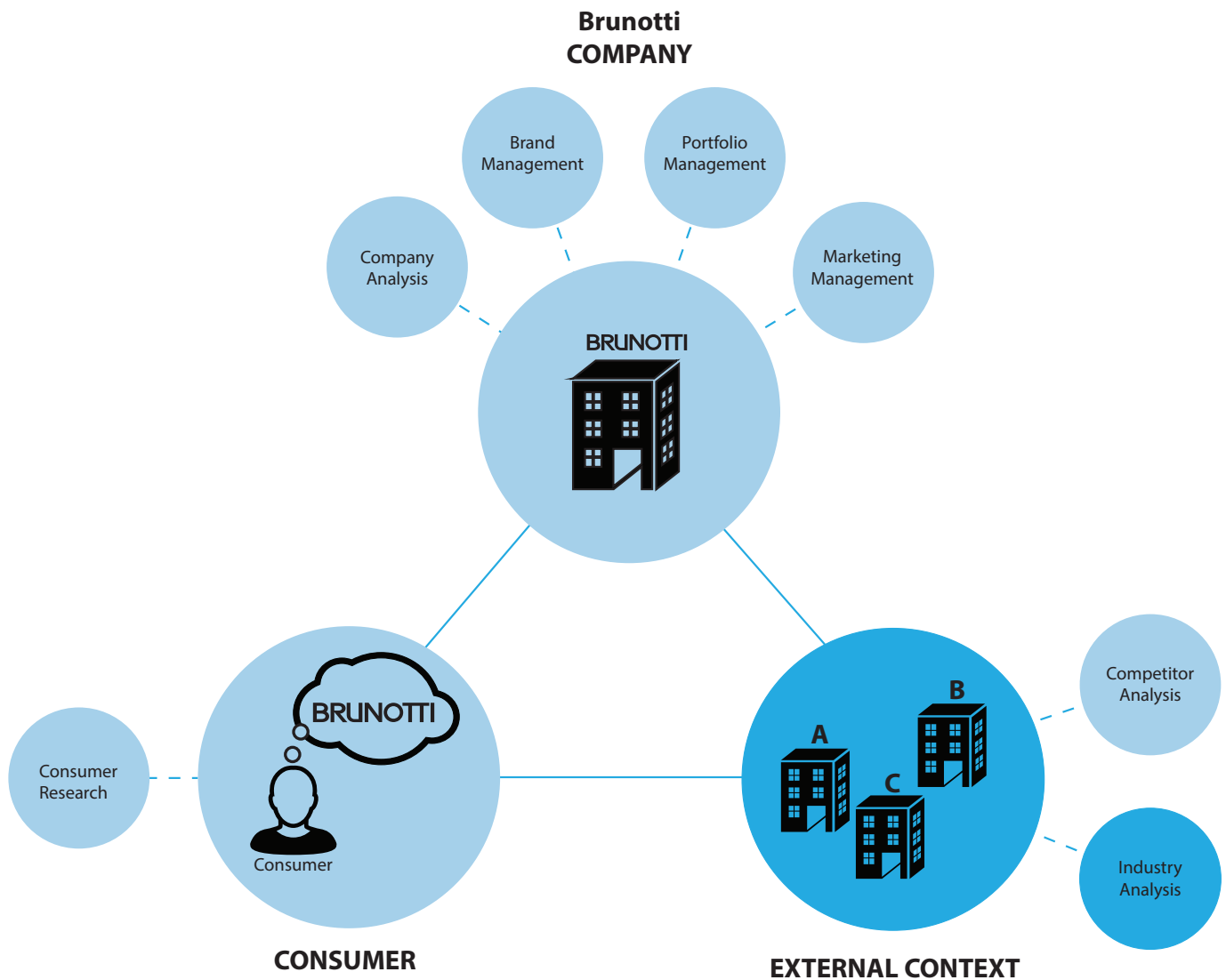
figure 2.6

2.1 Competitor Analysis

Brunotti has been active in the industry of boardsports and the apparel associated with it. Brunotti is a relatively small company within this industry. Brunotti's yearly turnover reached its highest level in 2012 (Brunotti, 2013), that year, the total sales reached 23 million €. A large competitor like Quiksilver (part of Quiksilver Inc.) realized a turnover of 820 million € worldwide in 2011 (Quiksilver-Inc., 2011). Currently Brunotti does not have a clear statement about who its (main) competitors are, since Brunotti is expanding its product portfolio. Brunotti's traditional main competitors are companies in the industry of boardsports and lifestyle associated with it. Parallel to Brunotti's portfolio expansion, the amount of competitors has increased with it. Herewith fashion/sports brands are also considered to be competitors of Brunotti. The industry analysis was conducted via the model of Porters five forces, described by Walker et. al. (2008) and visualized in figure 2.7.

Supplier Power

The clothing industry is producing a new collection every six months. The technological requirements for the material and production of clothing are relatively low. The fit of the clothing is developed together with the design team and the manufacturer. The typical fit is created precisely, which implies that the in case of changing from supplier this fit has to be developed from the beginning. The latter does not account for the products that are produced under licence. These products are developed and produced with little cooperation of Brunotti. Herewith the company is not fixed to the manufacturer and therefore switching costs are low.

The amount of suppliers in this industry is relatively high whereas the technological and manufacturing capabilities are relatively low. Furthermore the power depends on economies of scale. Logically, companies that order a high amount of clothing experience less power from suppliers with a lower amount of orders. On the other hand, suppliers that produce for multiple and/or large brands have high power over their smaller brands.

Buyer Power

With the industry of sports clothing being large and the industry of (sports-) fashion clothing even larger, retailers have a major amount of brands to select from. Due to the economic recession, retailers are forced to shrink the total amount of brands they offer. Furthermore the switching costs for retailers are low. Taking these facts into account, buyers in this industry do have great power and brands in this industry need to negotiate strongly in order to sell their products. Therefore, the bargaining power of buyers is high.

Threat of New Entrants

The technological requirements to enter the industry of sports and fashion clothing are low, as mentioned earlier. Also the development speed of the technology for clothing is very low and in most cases unprotected. New entrants can start relatively easily and within a short time frame. However the economies of scale are needed to become a competitive player. Furthermore there is almost no opportunity to create cost advantages. Brunotti's portfolio is diverse which results in many possible competitors and new entrants. However, Brunotti is a relative small player, meaning they will experience less effect of new entrants and the overall effect on the total market for this new entrant will be low.

Threat of Substitutes

In this industry substitutes are in general other clothing manufactures, which are targeting a different target group. Other clothing manufactures could offer a total different style or price range, but offer basically the same solution for clothing, as well as for sports and fashion. There are few brands that are serious substitutes; these include H&M and Zara. These brands produce substitute products in a price range that is considerably lower than where Brunotti and its competitors are operating. Brunotti does not consider these brands as direct competition, since their (technical) quality is far below the level of what Brunotti is producing. However, without a strong differentiation, which applies to Brunotti, price will become important and makes the threat of substitutes relative high.

2.2 Industry Analysis

Competitive Rivalry

Brunotti operates in an industry where many different competitors are active. Brunotti's traditional competitors are competitors who are active in boardsports. Where Quiksilver and Billabong are the two largest in Europe and also worldwide. Brunotti is, according to own estimations (Dijkema, 2013), market leader in the Netherlands but followed closely by Protest and O'Neill. Brunotti is focusing on expanding their market in Europe. The brands Quiksilver and Billabong are brands that are operated by large multinationals, respectively Quiksilver Inc. (turnover $1.95 billion) (Quiksilver-Inc., 2011) and Billabong International Limited (turnover $1.27 billion) (Billabong-International-Limited, 2013). The large multinationals in combination with the large group of competitor indicate that Brunotti has little power within this competition. In 2013, Brunotti entered the fashion market more specifically with a fashion collection. This has led to a large new group of competitors, like Scotch&Soda and Superdry, which are giants compared to Brunotti. Brunotti is a new player in this industry, and therefore will encounter strong competition.
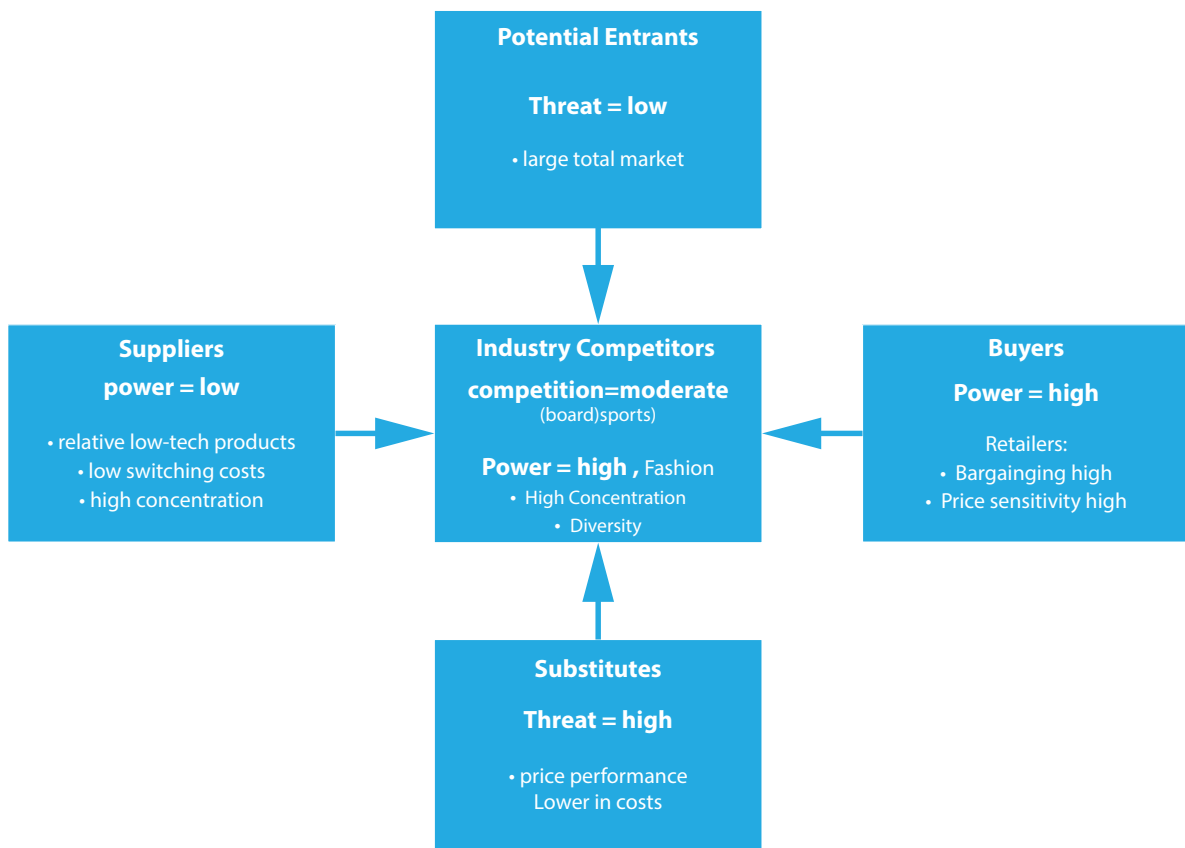
figure 2.7 - Model of Porter's 5 forces

2.1 Competitor Analysis

Conclusion external context

Brunotti is a very small player in the sports and fashion industry. Since Brunotti is relatively new in the market of sports and especially in the fashion industry, Brunotti faces a big challenge to obtain a strong competitive position within both markets. Also the fact that Brunotti will become active in both of these industries and face different competitors will force Brunotti to divide its resources over both industries. Entering a new industry with new competitors is already challenging, facing two new industries with new competitors will most likely be an even more challenging assignment. It can be concluded that Brunotti's competitive scope is too broad.

With Brunotti now positioned in an area, which is cluttered with other brands on the aspects of fashion/technical versus low/high price, they need other aspects to differentiate the brand. This information will be gathered in the consumer research part.

In addition, the industry analysis via Porters' 5 forces indicates that competitive rivalry; the threat of substitutes and the buyer power are the highest for Brunotti. All three are affected by the fact that Brunotti misses a strong brand image and a clear differentiation. The fashion industry seems least attractive considering these aspects.

3.1 Consumer Research

This chapter describes the consumer research that has been conducted to determine Brunotti's brand image, the portfolio fit of Brunotti's products and the positioning against its competitors. The consumer research is the third aspect that is used to severe as input for the new brand strategy. According to Riezebos and van der Grinten (2011), in their original positioning model, this third aspect is aimed to answer the following question:

- Which aspects of the brand identity are relevant for the desired brand image?

In addition to the key question of this model, other question will be answered in this part to give insight in how the brand Brunotti is perceived by the consumers:
- What is the brand image of Brunotti?
- Does this brand image matches with the intended brand strategy?
- What is the level of brand awareness of Brunotti?
- How is Brunotti positioned against its competitors?

To answer these questions a qualitative research was set up and conducted. Next to the qualitative research a smaller quantitative research was conducted to

figure 3.1

52

3.1 Consumer Research

gain insight in the level of brand awareness of the brand Brunotti. The results and conclusions of this qualitative and quantitative research provided insights in the brand equity of the brand Brunotti. Furthermore the results of this research were compared with the 2014-brand-strategy to determine the current fit or misfit between the brands image and its 2014-brand strategy. The conclusions of this chapter served as input for the synthesis phase to design the new brand strategy.

3.1.1 Research goal

The goal of this research is to obtain insights in the brand image and brand awareness of Brunotti, the positioning of the brand Brunotti in the consumers mind and to obtain insights in the most favourable product categories linked with the brand Brunotti. The insights serve as input, together with chapter 1 and 2, for the new brand strategy.

From the output of chapter 1 it became clear that Brunotti is in the need of a clear differentiation and that the current brand image and awareness is unknown. Therefore this consumer research is aimed to obtain insights in the brand image and brand awareness of Brunotti to serve as input for the brands new positioning.
From the output of chapter 2 it came forward that Brunotti's is positioned in a cluttered area of competitors. Therefore the consumer research is further aimed to determine Brunotti's positioning against the competition.

Lastly chapter 1 pointed out that Brunotti's broad product portfolio is growing, but that the brand extensions do not necessarily are in line with the firms' strategy. Therefore the last aim of the consumer research is to obtain insights in which products categories are linked to the brand Brunotti to determine the ideal product portfolio.

1. Consumer based brand equity
Obtain insights in the brand equity of Brunotti based on the brands' image and the characteristics and relationships among brand associations.

2. Brand positioning
Obtain insight in the consumers positioning of the brand Brunotti, leading to a positioning grid via perceptual maps.

3. Product portfolio
Obtain insights in the most favourable product categories linked to the brand Brunotti.

4. Brand awareness
Obtain insight in the level of brand awareness of Brunotti.
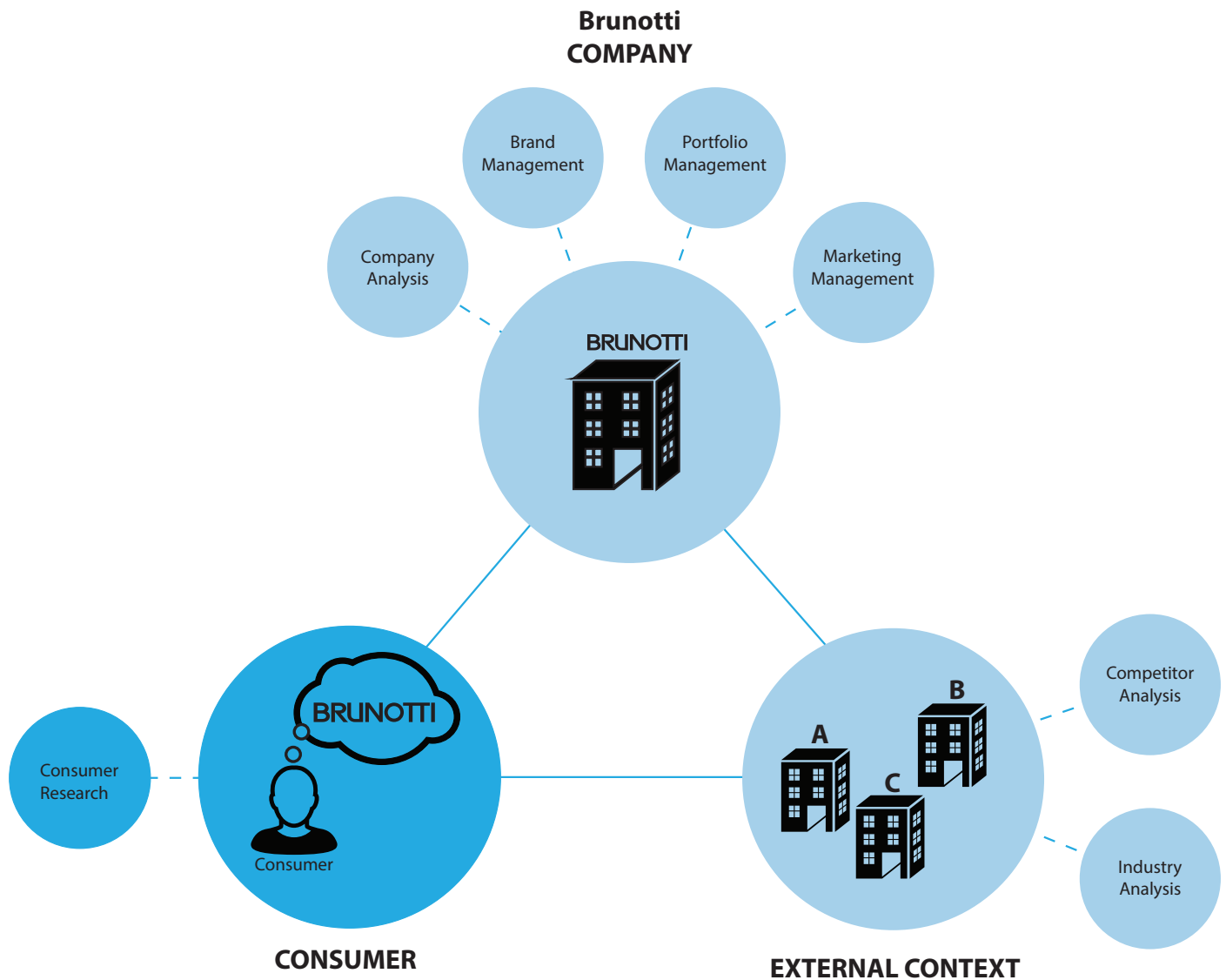
figure 3.2 - Impression of consumer research

3.1 Consumer Research

3.1.2 Research questions (RQ)

1. Consumer based brand equity

- *RQ1.1 How do consumers perceive the brand Brunotti?*
- *RQ1.2 Which associations does the consumer have with the brand Brunotti?*

2. Brand positioning

- *RQ2.1 How is the brand Brunotti ranked against its competitors?*
- *RQ2.2 How is the brand Brunotti positioned against its competitors?*

3. Product portfolio

- *RQ3.1 Which product categories do consumers link with the brand Brunotti?*

1. Consumer based brand equity

RQ 1.1 How do consumers perceive the brand Brunotti?
This research question investigates the consumer's perception of the brand Brunotti. The perception of the brand determines the brands image, which on its turn influences the brands equity.

RQ 1.2 Which associations have the consumer with the brand Brunotti?
Every brand has a certain brand image, next to the shaping of this image; consumers will have particular associations with the brand. These associations can either have a positive or a negative connection with the brand and can virtually be any associations that consumers make with the brand.

2. Brand positioning

RQ 2.1 How is the brand Brunotti ranked against its competitors?
RQ 2.2 How is the brand Brunotti positioned against its competitors?
This research question investigates Brunotti's positioning against competing brands. Perceptual maps will be created and indicate Brunotti's positioning. This positioning will be determined by perceived price, perceived quality, and by the assessment on the value for fashion and functionality.

3. Product portfolio

RQ 3.1 Which product categories do customers link with the brand Brunotti.
This research question investigates the products and product segments that are linked with Brunotti. This determines the portfolio fit or misfit with the brand according to which products and products segments are associated with Brunotti.

3.1.3 Research methodology

For this research a qualitative research method was used. The reason to choose for qualitative research was based on finding the method that is appropriate to what the researcher is trying to find out (Punch 1998). In this case the nature of this research problem lies in the consumer's perception of a brand. The goal of this research cannot be achieved via specific questions with an ordinal outcome. Furthermore, Nkwi et. al. (Nkwi, Nyamongo, & Ryan, 2001) state that qualitative research involves any research that uses data that does not indicate ordinal values. This research was aimed at obtaining in-depth insights in the consumer's perception of a brand to determine the brand's image and awareness. With qualitative research it is possible to acquire in-depth information in the consumers perspective.

The consumer research consisted of three parts. The first part involved the research on measuring customer based brand equity (Keller 1993). This part consisted of determining brand awareness and the characteristics and relationships among brand associations, in which brand associations are provoked. The second part consisted of determining the positioning of Brunotti compared to its competitors. The participants created perceptual maps, based on which Brunotti's positioning could be determined (Walker et al., 2008). The third part concerned the research on Brunotti's product portfolio. Here participants determine the portfolio of Brunotti according to their own in sights.

Measuring customer based brand equity
The model for measuring customer-based brand equity, presented by Keller (1993), was used as the main methodology to measure the brand equity of Brunotti. Measuring customer based brand equity can be conducted via two approaches, the direct and the indirect approach (Keller, 1993). For this research the indirect approach was used. The indirect approach, to measure customer based brand equity, attempts to assess potential sources of customer based brand equity by measuring brand knowledge (which can be divided into brand awareness and brand image) (Keller, 1993).

This research was mainly focused to determine the brands' image. Measuring brand awareness is difficult since this research requires in principle participants

that already have some prior knowledge of the brand and are selected with the requirement of having this prior knowledge. For example measuring brand awareness by means of a brand recall test (top of mind), in order to determine the order in which brands are recalled, is already biased, since the brand Brunotti s already given. However, the principle of the brand recall test still could be used, in this case to determine Brunotti's main competitors and the strength of presence in the consumers mind. Brands, which can be recalled relatively quickly, have strong awareness in the consumers' mind, which could indicate the strength of their competition, since brand awareness affects the purchase behaviour of consumers (Esch & Tobias, 2006).

Furthermore the order in which brands are most preferred could be determined, although it must be noted that the brand Brunotti still can have a slight advantage over other brands. Nevertheless valuable information could be derived from the order of preference of these brands. Herewith it is possible to determine which brands are most favourable and therefore which brands are Brunotti's main competitor.

Brand awareness
It was not possible to measure brand awareness within this research setup, since participants were selected according to their prior knowledge of the brand Brunotti (explained more extensively in the participants section). Therefore not brand awareness, but brand preference was measured to determine Brunotti competitors in the mind of consumers. First, in order to determine Brunotti's competitors brand recall was used, which will be coded in terms of the order of recall, which brand is "top of mind" (Keller, 1993). Next brand preference could be measured. Participants were asked to indicate which brands they prefer most, by ranking all mentioned brands including Brunotti from most preferred to less preferred. Brand preference practically fitted the research setup better together with the brand positioning in the third part of the research, speaking in terms of thinking about Brunotti's competition. In order to make the interview logic for the participants to understand, the 'brand preference' assignment was conducted before the 'brand positioning' assignment and after the 'association tasks'. The brand-recall task

was conducted before the brand-positioning task; in this way, the participants were not exposed to other brands before they had to mention brands similar to Brunotti.

Brand image
Brand associations were used on order to determine the brand image of Brunotti. First a free association task was given to the participants. They were asked to mention the first associations (words, feelings, products) that came to mind when thinking of the brand Brunotti. Consumers were probed with: who, what, when, where why and how types of questions about the brand.

Then, projective techniques were used since participants are very likely to be unable to express their feelings during the free association tasks (Levy, 1985). Participants were exposed to cards with prototypical pictures and words. The first tasks consisted of pictures that showed particular situations, location, actions and activities, where the words were brand descriptors in general. Participants were asked which cards they do and dot not associate with the brand Brunotti. Furthermore, participants were asked to explain why they made distinctions between the cards and what it means to them in respect to Brunotti. This method was repeated with cards illustrating brand personality descriptors. These cards show stereotypical personalities and persons. Again participants were asked to rate the cards and to explain why they made these distinctions.

Fit between customer perception and Brunotti's strategy
Next to the goal to gain insight in Brunotti's current brand image, the goal was to answer the question: "Does Brunotti's brand image matches with the intended brand strategy?" The brand image that was found will be compared with the current brand strategy of Brunotti. In addition, to test the brand strategy of Brunotti, aspects of the Brunotti brand strategy (the Brunotti DNA) and marketing material (promotional pictures) were evaluated by the participants.

3.1 Consumer Research

3.1.4 Participants for the consumer research

The target group of Brunotti is defined according to the current 2014-brand-strategy. According to this definition their target group is: men, woman, kids with a sportive and healthy lifestyle, which like to feel free, enjoy life and respect nature. Brunotti is aiming to become a more mature brand, by focusing on consumers in the age group from around 18 to 45 years for their products and marketing. Since Brunotti has defined a broad target group, the participants varied in their backgrounds. Since the research aimed to obtain in-depth information about the consumer's perception about the brand Brunotti, participants needed to have some prior knowledge of the brand Brunotti.

Participant selection criteria
In order to acquire results that are valuable in respect to this research, participants were selected via particular criteria. There were two general criteria that were applicable for all participants and more specific criteria for groups of participants.

General criteria:
* The participant must have prior knowledge of the brand Brunotti
* The participant must be within the age range of 18years and 45 years

Specific criteria
* Young sportive (3) young adults from 18 years, who maintain a healthy lifestyle
* Young not-sportive (3) young adults from 18 years who do not perform any sports or maintain a sportive lifestyle
* Adults with children (2) adults 30 to 45 years, with young children
* Adults without children (2) Adults, from 30 to 45 years

Young adults sportive
These participants were selected since these participants are the core of Brunotti's target market, according to their age and there sportive lifestyle. Furthermore it is likely that these participants have been in contact with the brand during their secondary school period via stationary of Brunotti. It is therefore interesting to research if this has affected their brand perception of Brunotti.

Young adults non-sportive
This group of participants were part, according to their age, of the target group of Brunotti, but with the exception that these participants do not maintain a sportive life style. By interviewing these participants the aim was to explore if there are differences between the sportive and the none-sportive young adult customers of Brunotti.

Adults with children
These participants were the upper segment of Brunotti's target market, according to their age. These participants were in particular interesting since these participants re consumers with children, which is also a considerable segment of Brunotti's market for the 'Junior' collection. The aim was to explore how these participants perceive the brand Brunotti since they have different purchase demand for themself and their children.

Adults without children
The last group of participants were adults without children. These consumers will in general purchase products for own use. Here the aim was to explore if there are differences in brand perception between adults with children and without.

A sample description of the participants can be found in appendix H.

3.1 Consumer Research

3.1.5 Research material

In order to perform the association tasks, the brand positioning and the task to determine the portfolio, research material was created for each research question.

Research materials for costumer based brand equity (RQ 1.1 + 1.2)

For the projective techniques in this research, cards were created to help participants express their feelings for the association tasks. The images and words that were selected for the cards include images and words that; are used by Brunotti in their brand strategy and marketing activities; are and are not closely related to Brunotti, are from the competitors. With this mixture a wide range of images and words was presented on the cards in order to prevent biasing the participant's feelings.

Material selection

The pictures for the first association task consisted of a variety of pictures (figure 3.4). Within these pictures, pictures of Brunotti's social media were included, since Brunotti deliberately uses social media to distribute pictures to change the current brand image of Brunotti. By including these pictures of Brunotti the possibility is created to determine if the pictures selected by Brunotti are positively associated with the brand Brunotti. The pictures were grouped by own interpretation, to make the data analysis possibly clearer.

The pictures illustrating brand personality descriptors (see appendix J), for the second association task, were selected according to the same principle as the pictures for the first association task, a variety of different type of pictures including pictures distributed by Brunotti itself. In addition to the inclusion of pictures from Brunotti's social media, also pictures of several of Brunotti's (traditional) competitors were included, which are Protest and O'Neill.

The words, for the word association task, were also selected to cover a wide range of words that would or would not be associated with the brand Brunotti (figure 3.3). This group of words included words that are used as descriptors for Brunotti's 'DNA' (brand values in the brand strategy). By including words, which are determined by Brunotti as descriptors for their identity, the similar possibility as with the images was created, to determine if these words, which are stated as the Brunotti 'DNA', are positively associated with the brand Brunotti. Since the research was conducted with Dutch participants only the words were translated from English to Dutch. One word was changed to be better understandable. The word technical was changed into functional to cover the aspect of functional fashion, which includes the aspect of technical, but is more focused to their clothing.

Research material for brand positioning (RQ2.1 +2.2)

The second part of this research was about brand positioning. Participants were asked to rank the words, from the association task, that they value the most during their purchase. The two words with the highest score were then used to create perceptual maps to determine the brand positioning. These words were complimented with a set of predetermined words, based on key elements for the positioning of a brand, namely price and quality perception. Additionally, the positioning according to functionality and fashion was used to create perceptual maps, since Brunotti's strategy is to broaden their brand from a pure sports brands to a sports lifestyle brand, where fashion becomes more important.

For the brand positioning, each word was used independently. The participant was shown several brands and the participant was asked to position the brands according to selected word, from low to high. For example with price, the brands were rated from very low priced to very high priced. In addition, participants were asked to exclude the brands that were unknown or which they found too difficult to judge. This in order to minimize ungrounded perceptions about brands, which could have caused biased outcomes of the consumer perceptions.

Material selection

The participant executed the brand positioning based on four predetermined words, based on key element

for the positioning of the brand, and two of their own most preferred words, based on the change in strategy, from a boardsports brand to a sports and lifestyle brand. Functionality is closely related to the sports and boardsports element, where fashion is related to the description of a brand, which is also creating a fashion, related collection.

The brands that were used for creating the perceptual map consisted of traditional competitors of boardsports, competitors that are active in winter sport, sport and the new possible competitors for the fashion collection (see appendix for the brand overview).

Research materials for product portfolio (RQ 3.1)

The third part of the research concerned Brunotti's product portfolio. in order to determine the product portfolio that fit the consumer's perception. Which products do participants associate with Brunotti and the reason. Participants were asked to rate prototypical product types from 'totally not fitting' Brunotti to 'totally fitting' Brunotti and motivate their choice.

Material selection

The purpose of this task was not to judge on the particular design of the product, but to determine if the product type fit the brand's portfolio. Therefore participants were provided with cards with images of prototypical products visualized in line drawings (see appendix J). Furthermore participants were explicitly told that the task was to judge on product type and not on the particular design of the product. The image selection consisted of products, which Brunotti already includes in their portfolio. These images were complimented with a variety of other product images, which are not included in Brunotti's portfolio.

Pilot

After the research proposal was finalized a pilot for the research was conducted to test if the tasks, questions and the procedures were clear. Overall no big difficulties were found, however the pilot revealed some small problems which where solved for the actual research.

- The variety of the images for the free association task was to narrow, therefore several images were replaced to increase the variety.
- Originally planned, during the positioning of the brands, all words were used to position the brands. Due time limits the amount of words for the position were limited to two words that were rated to have the highest fit with Brunotti were used, supplemented with four predetermined words (see chapter 3.1.5).

Brunotti DNA	Other words
Heritage	
Functional	Fashion
Tough	Formal
Mature	Playfull
Clean	Exuberant
Sexy	Decent
Colourfull	Dull
Quality	
	Sport
Expensive	Cheap
Innovation	Conservative
Unique	Mainstream
Notable	Unnoted
Modern	Old-fashioned
Old-fashioned	Sombre

figure 3.3 - Examples of POS material

3.1 Consumer Research

Active & Sports

Young

Urban & Picturesque
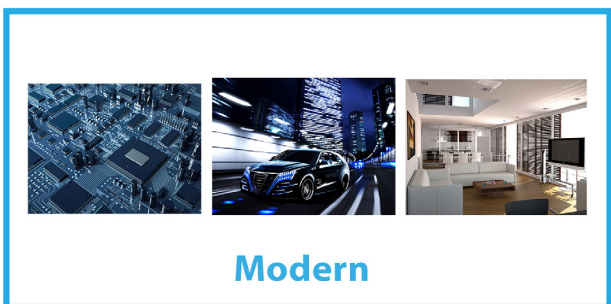
Other

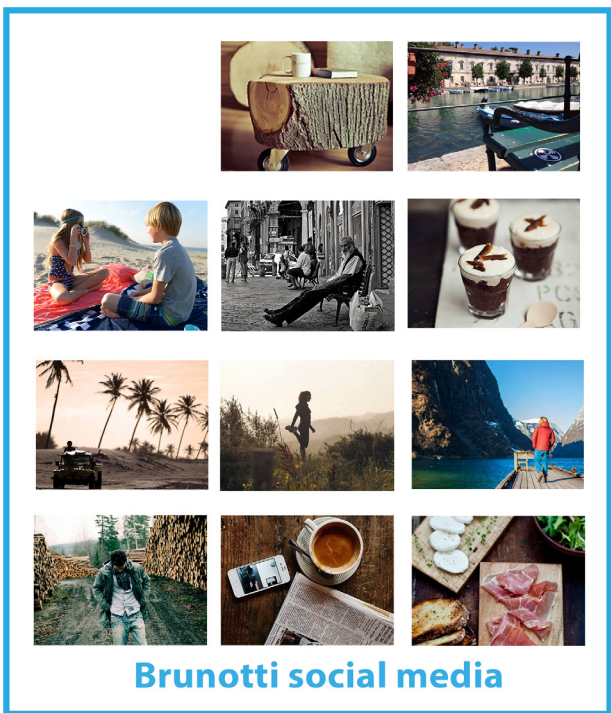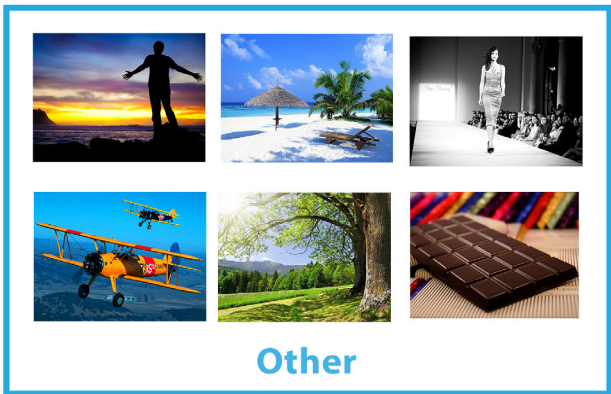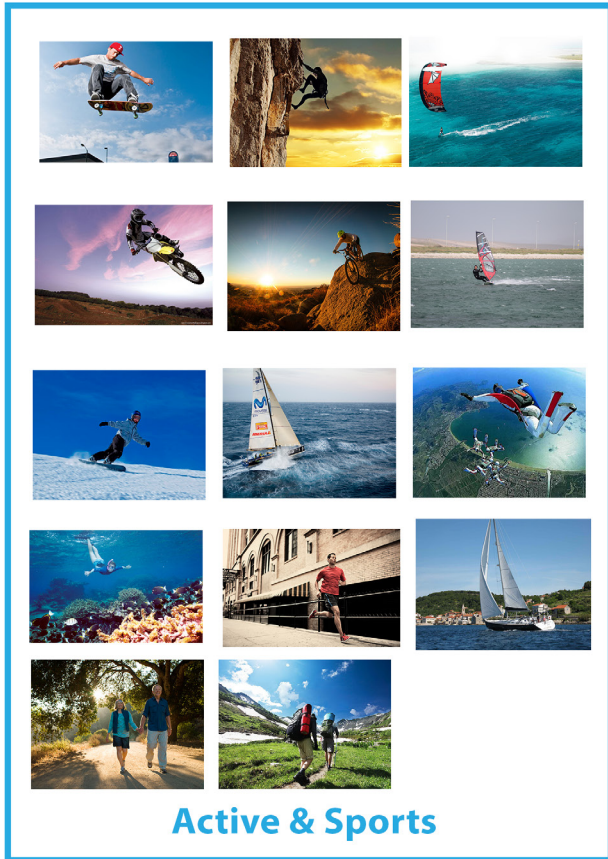**Brunotti social media**

Modern

figure 3.4 - Examples of POS material

3.1 Consumer Research

3.2 Data analysis

The following part discribes the results that appeared from the research based on data analysis. The data that was gathered during the interview consisted out of written notes of the comments given by the participants during the tasks, and of images that captured the final results of each assignment. The combinations of these two types of data was used for the data analysis. The complete data sheet can be found in appendix O.

The data analysis consisted of two types of methodologies, due to the fact that two general methods were used during the interview: the association tasks and creating the perceptual maps. According to Silverman (2005) the approach that is commonly used the most is to treat respondent's answers as describing some external reality (e.g. facts, events) or internal experience (e.g. feelings, meanings), which is used for the association tasks (RQ1.1 +1.2 and RQ3.1). The data generated through the association tasks was analysed via categorisation to find an overall theme, similarities and differences between participants. This data consisted of multiple types: the data outcome of the free association tasks consisted of notes; the data for associations of the images and words consisted of notes of the feedback and pictures of the rated images according to participants' preferences. The notes were a supplement to the pictures and described the reasoning behind the image of the rating.

The second method was used to analyse the perceptual maps (RQ 2.1 and 2.2). The perceptual maps were analysed according to the brand positioning literature of Walker et al. 2008 (Walker et al., 2008).

3.2.1 Consumer based brand equity

- RQ 1.1 How do consumers perceive the brand Brunotti?
- RQ 1.2 Which associations have the consumer with the brand Brunotti?

Free association task

From the free associations tasks it came forward that the brand Brunotti is linked most with surfing, winter sport, sports including extreme sports. All these topics on their own are mentioned by half of the participants. The participants who could answer least on the free association tasks were two out of the three participants with children. They could only mention the winter jackets and one vaguely recalled swim shorts. The other participant with children was active in boardsports during his youth and was therefore well informed about Brunotti's history in boardsports. This person can be regarded as a specialist in the knowledge of boardsports. There seemed to be a strong suggestion that the younger customer (18-30years) have more knowledge about the brand Brunotti then the older customer (40+ years).

All the mentioned associations of the free association task are visualized in a word cloud (figure 2.12). The size of the word(s) indicates how often a word is mentioned, the more the larger.

The persons who did not mention surfing during the free association task did link Brunotti with surf/kite images during the projective techniques. However none of them knew that Brunotti had produced surfboards and still is producing kite boards and hardware products. They did link Brunotti with surfing, but not with the actual surf gear such as boards. This implies that the image of a boardsports brand is present, for Brunotti as a clothing brand, however their heritage of a boardsports manufacturer is unknown

figure 2.12 - Word cloud

3.1 Consumer Research

Projective techniques and ranking

To analyse the data acquired from the interviews, first the images of the outcome of each task of each participant were printed out and put on to a wall to create a total overview. The notes of the interviews were written on post-it's and put on the printed interview outcomes. Herewith the visual outcome and the argumentation behind it were combined in one overview. Based on this overview, patterns, similarities and differences between the participants could be extracted.

From the overall picture it came forward that there were no striking differences between the predetermined groups. There were differences between participants noted during the analysis, however these differences are not likely to be caused by the selection criteria of the participants; young persons (18-30), adults (30+) and sportive and non-sportive persons. Personal interests and interpretations of for example particular pictures could best explain the difference in results. By taking into account the interpretations (captured in the comments) it came forward that the main themes like being sportive and enjoying life were in general the same among all participants, even though a particular picture was rated differently by the participants due to interpretation.

The analysis was focused on understanding the degree to which the perceptions of these participants of the brand Brunotti are in line with the firms' brand strategy. The past-brand-strategy and the 2014-brand strategy were used as reference. Furthermore, images and words were analysed on an individual basis. The images and words were ranked according to their fit with Brunotti. The ranking of these particular images/words was visualized according to the participants' ranking during the projective techniques. This visualisation gave an insight on how the images and words were fitting Brunotti in general. The figure 3.5 shows an example of the visualisation.

Projective techniques – Images

From the projective techniques several overall themes were found. Virtually all participants associated Brunotti with being active, sports, outdoor and enjoy life. Approximately half of the participants associated Brunotti with being adventures.

Active, sports, outdoor and adventurous

Being active is related with sports and outdoor. The participants mentioned Brunotti as a sports brand. More specific the participants indicated that Brunotti is a sports brand for outdoor sports like surfing and snowboarding. But participants also indicated that they linked the images of 'running' with Brunotti since it is a sport and running fits a sportive lifestyle. However, they did not link running specifically with Brunotti because it is an endurance sport.

Approximately half of the participants linked Brunotti with being adventures, this was visualised by the selection of images that were mentioned as adventurous and extreme sports, like mountain biking and skydiving. Participants indicated that it is not the specific type of sport that is linked with Brunotti, but the feeling that comes when performing these extreme sports. Sports like snowboarding and surfing were also mentioned as adventures sports, because they hold certain risks. These sports have a high risk of for example falling caused by taking risks and the effects of nature when a person falls from its board when he hits a wave. These kinds of sports have more risks and influences from the powers of nature than for example an endurance sport as running.

Quote: "not that Brunotti is a brand for skydiving, but I think the thrill you can get from these kind of sports fit Brunotti. Brunotti is a tough brand with extreme sports like surfing." (young sportive)

totally not fitting Brunotti · · · · · · · · · · · totally fitting Brunotti

figure 3.5

3.1 Consumer Research

The images showing a kite surfer, a sailing boat and snowboarder were rated most positive by all participants. Most participants indicated that these images felt the most 'Brunotti like'. The kite surfer was rated high, since all participants linked Brunotti with surfing. Sailing was rated high since it is a water sport, like surfing and the image provoked an adventurous feeling. The snowboard had a high fit with Brunotti since it was also mentioned as an extreme sport and participant's link snowboarding with the winter jackets.

Images with kite & snowboard

Being different
Another notable association was visualized with the preference for the image showing a wall covered with graffiti. Participants mentioned that this image does not show any sports, but it shows a particular life-style. Graffiti is seen as tough and a step outside of the given (social) boundaries. One participant mentioned it to be "thrill seeking and being different", the thrill that a person can get when he or she is pushing the boundaries.

Quote : "Using graffiti, which is not allowed, is exciting, trying until they catch you." (young not-sportive)

Nature & Outdoor
The images in which nature was visible, were ranked mostly positive. Participants mentioned that they associate Brunotti with being active outdoor, a brand for people who like to do activities and sports in the open air. The image that showed a 'calm' forest was rated positively on the aspect of being out in nature. The fact that the image also provoked a calm feeling was explained in several ways. The reason not to match it with Brunotti was that it did not match it with the adventures sports. On the other hand, participants mentioned that they see Brunotti users also as calm and relaxed people. Therefore 'calm' was linked with Brunotti in relation to the perceived personality of typical Brunotti users.

Quote: "When I think of Brunotti I think of outdoor sports, maybe because of the surfing. But also a holiday feeling, being on the beach, fresh air. I like doing some activities during my holiday." (young sportive)

Being relaxed
The images showing an image of a hammock at the beach were rated mostly positive. Participants mentioned the summer feeling, which was linked with Brunotti. The feeling of enjoying life was illustrated with this image, however similar to the image of the 'calm forest', participants mentioned that the image was also too calm for Brunotti. They mentioned 'relaxing' being part of a state of mind, a person who is relaxed and enjoys life. But relaxing was not explained as 'doing nothing'.

Enjoying life
Within the pile of images there were also images taken from Brunotti's Facebook page. These images included images related to the Italian life style. The images showing coffee were mostly negatively rated. Participants could not make a connection with the brand, regarding it only as the product coffee. The three participants that rated this image more positively regarded the picture as a lifestyle, from this perspective the image was associated with Brunotti, because the coffee looked well made. Therefore you could enjoy this coffee and enjoy the moment, which fitted the brand Brunotti. The same explanation could be given for the images of the coffee&smartphone&newspaper, but were rated slightly more positive. In the case of these pictures more participants could imagine that you could take some time for yourself to enjoy the moment. Looking at a relaxed lifestyle the image could fit Brunotti in some way. This same reasoning was used for the images showing Parma ham and mozzarella. The fact that the image showed food did not evoke an association with Brunotti, however the feeling that 'these' people would enjoy life was linked with this

image. Notable is the fact that only one participant mentioned Italy when talking about these three images.

Quote: *"I can imagine that you wake up, taking a good coffee, reading a paper, without your smartphone of course. Just being relaxed, that fits Brunotti, no stress."* (adult without children)

Three cups coffee

Italian food (Parma ham & mozzarella)

Coffee & smartphone & newspaper
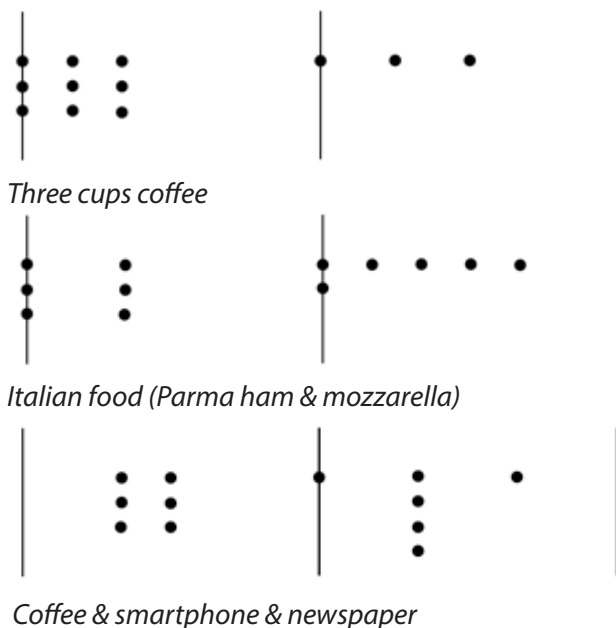
The results of the Italian-style pictures showing 'food and drinks' showed a low to a distributed fit, for the food, with the brand strategy. A closer look at the answers, via the notes from the interviews, indicated that the participants who do associate these images with the brand Brunotti, explained these associations by referring to a lifestyle, enjoying life and living a healthy lifestyle. Furthermore, the fact that a participant could not define whether the image fitted or did not fit Brunotti resulted in these pictures ending up in the centre of the grid. Regarding the image of Italian food, all participants (except one) who indicated a moderate to high fit with Brunotti, indicated that the image evoked the association with enjoying your life, with one participant adding the association of a healthy lifestyle. These comments show that these pictures were given a positive fit with Brunotti because of the aspect of enjoying life rather than the relation with Italy.

Personality descriptors
In general the images acquired from Brunotti, O'Neill, and Protest were rated most positive compared to the total amount of images. All participants mentioned that they felt that Brunotti is a brand for young people and young adults, somewhere between 20-40years. All participants mentioned that they knew that Brunotti has a collection for children like most brand, however they did not see that as their main target group. Most participants could imagine that older people, roughly 50 years and older could wear Brunotti, because they have practical clothing which is for these people very important, however it is more a brand for young people.

Relaxed, easy-going and sportive
Several participants thought that persons who fit Brunotti are relaxed easy going and sportive type of person. They did not see Brunotti consumers as people who 'show off' or as highly fashionable. The image of the 'Brunotti girl' on the beach was indicated as totally fitting Brunotti. Several times participants commented that it actually could be a picture of a Brunotti advertisement, which it indeed was. The image was described as a girl who had just enjoyed a relaxed day at the beach. However the girl was also described as an active person that not only lays on the beach but also is going for a walk on thea beach. When they thought of the typical Brunotti user, this is a good mixture sportive person with a relaxed and easy-going character.

Tough
Next to the characteristics of relaxed, easy going and sportive, the winter sport images (mostly acquired from Protest) were also positively rated. Reasons were the tough and winter look of these persons, because participants linked snowboarding with Brunotti and snowboarding is seen as a cool and tough sports, and therefore also the person performing it. The persons with the winter sport clothing were all highly associated with Brunotti, although these images were acquired from Protest. This indicated that this image is not uniquely of Brunotti, but Brunotti is associated with this image very well.

Quote: *"This is a real snowboard guy, looks cool. And I can even see his snowboard on the picture. Brunotti makes snowboard jackets so its maybe simple but this picture really fits Brunotti. Cool snowboarders."* (young sportive)

3.1 Consumer Research

Projective Techniques – Words

This projective technique used words to evoke associations. The pile of words included words, which were directly abstracted from the Brunotti DNA, Brunotti's brand values.

Associations by words

All participants rated the words sport, happy, tough, colourful and functional highly positive. Playful and solid were rated positive. The card 'sport' was rated high since all participants linked Brunotti with being a sports brand and a sportive lifestyle. The card 'happy' was in most cases rated high in combination with the card colourful. Participants indicated that they remembered that Brunotti used many bright colours and distinctive prints for their apparel in the past, which gave the apparel in general a 'happy' and lively appearance.

'Tough' was rated to highly fit Brunotti, as explained earlier. Participants indicated that they associate Brunotti with active and extreme sport. Extreme sports were explained as 'sports that could give people a thrill' other than endurance sports, like running.

Tough

The card with functional was rated high since most participants referred to the winter jackets. Participants indicated for example that the winter jackets of Brunotti keep you warm and prevent you from getting wet during the winter, therefore these jackets are mentioned as functional. Participants explained that Brunotti is a sports brand and therefore the main purpose is to deliver clothing that is useful for the sport and activity that you perform.

Quote: "With brands like Brunotti I think it is function over design. The design is important, but it is of no value if the function is not working". (young sportive)

Functional

'Quality' was rated mostly positive. Participants indicated that Brunotti delivers good quality, even though this is not the best quality. In general the price quality ratio was indicated as good, Brunotti delivers good value for money. Also here the winter sport jackets were mentioned as an example of good quality.

Quote: "The jackets of Brunotti keep you dry and warm during winter sport, so they must be of good quality and they are not really cheap, I can remember" (adult with childeren)
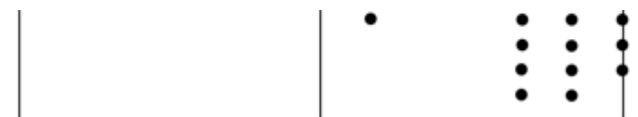
Quality

The word 'expensive' was rated slightly positive. Brunotti was not considered to be cheap, since they deliver good quality. Several participants mentioned that; delivering good quality jackets for winter sport logically results in higher prices than a jacket that is not waterproof. However for the level of quality that Brunotti delivers the products were not considered to be expensive. The winter jackets of Brunotti were, in line with the free association task, the best-known products and were the basis for the evaluation of the quality of the brand Brunotti.


Expensive

The other words used from the Brunotti DNA, like mature, were rated neutral. Whereas he words sexy and clean showed a very distributed rating. Mature was rated neutral since all participants indicated that

they associate the brand Brunotti with young adults, and mature was considered as the opposite of that. The participants indicated that children and mature consumers (around the age of 50 years) could wear Brunotti clothing but they did not see them as the main target group for Brunotti. Moreover Brunotti was regarded as tough, which did not match the image that the brand is specially meant for children.
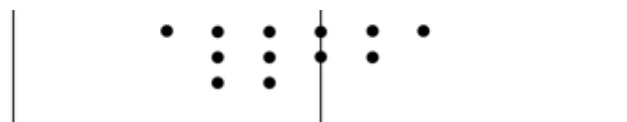
Mature

'Sexy' was rated very diverse. A first reason that this word was interpreted differently between participants, was that the other words like 'quality' and 'colourful' were interpreted more straightforward. Participants who rated sexy negatively indicated that the long winter jackets did not match with the idea of 'sexy'. Some participants could imagine that bikinis could be regarded as sexy, however the word 'sexy' did not match with the general idea of the brand Brunotti. These participants mentioned again that they see Brunotti as a functional and tough brand, instead of the association with a sexy brand. They also mentioned that the image of large winter jackets is totally not in line

with the idea of 'sexy'. More specific, two participants mentioned that when thinking of brands that are 'sexy', brands like Hunkemöller come to mind. These kinds of brands address themselves as appealing and attractive, which is not the case for a brand like Brunotti, which is seen as a 'regular' sports brand.

Sexy

Exuberant and notable were in general rated positively, because they were related to the bright colours and the distinctive prints of the winter jackets. One participant argued that he knew that in the past Brunotti had distinctive prints for their winter jackets, however recently he noticed that Brunotti had less notable designs, which are more 'safe' and 'general'. A few other participants noticed that the design of the winter jackets is less distinctive then before.

QUOTE: "I know I used to have jackets with very nice prints form Brunotti, but I looked for it this winter, but they all looked the same, more plain jackets, not really striking"

figure 3.6- Picture of participant

3.1 Consumer Research

3.2.2 Brand positioning

- 2.1 How is the brand Brunotti ranked against its competitors?
- 2.2 How is the brand Brunotti positioned against its competitors?

The following positioning was based on the sum of all the brand positioning maps combined. The accuracy of the positioning per brand was brought to a general level, since it was impossible to precisely indicate the overall position of each brand exactly by using the images from the final outcome of each participant. Therefore the results are generalised into segments of brands.

During the association task with the projective technique by words, participants indicated that they associate Brunotti with good value for money. From the overall positioning it is visible that Brunotti is positioned together with several other brands. Regarding quality, several participants indicated that they find it hard to make clear distinctions between the quality of the brands. They assumed that all brands deliver good quality, and that there are no large differences. Except for brands like H&M, ZARA and Rucanor which are regarded as value brands.

The positioning for fashion was very diverse, since participants had different interpretations of the word fashion. Participants could interpret fashion brands as brands, which are closely following fashion trends, like ZARA. However fashion could also be interpret as brands that take care of the visual design of their clothing, including their sports clothing. Brunotti and O'Neill were mentioned several times since they deliver distinctive prints and colours for their apparel. Whereas Bjorn Borg and Gaastra were mentioned several times as brands that really 'want' to be fashion brands. These four brands including Brunotti are slightly more rated as fashion brands than the other 'sports' brands, although the difference is small. Among the sports brands, Brunotti was rated as the most fashionable brand together with O'neill, Gaastra, Björn Borg. Brunotti was mentioned as a lifestyle brand that brings clothing that you can also use for daily life, however all participants mentioned that they see Brunotti mostly as sports brand and that they are not likely to choose for Brunotti when shopping for clothing for daily life.

Price

Quality

Fashion

Functional
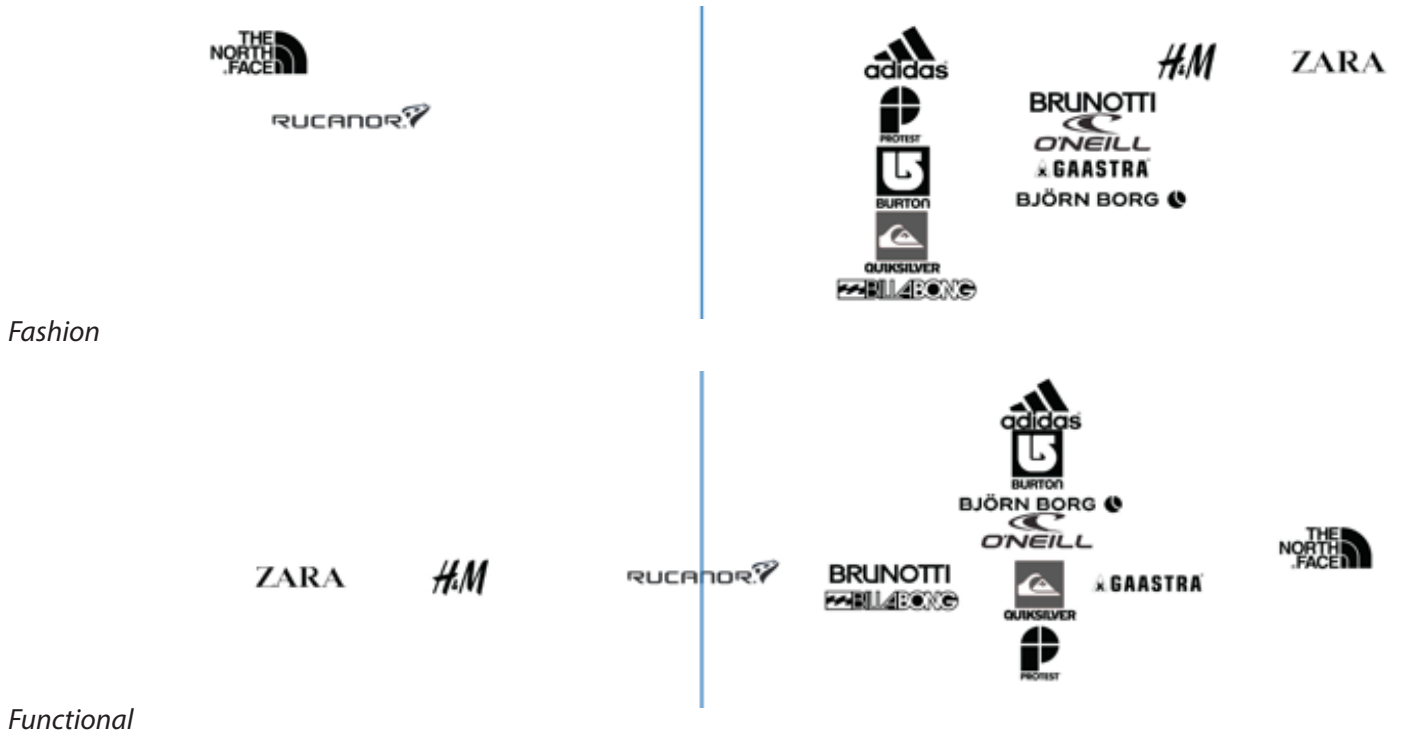

figure 3.7

3.2.3 Product portfolio

The overall outcome of this task indicates that participants connected most apparel to the product portfolio of Brunotti. Jackets, swim shorts, bikinis and snow goggles were rated to fit Brunotti perfectly by all participants. This could indicate that Brunotti has managed to manifest itself as a summer as well as winter clothing brand. Several participants mentioned that they do match t-shirts and boxers with Brunotti, since they are apparel. However they also mentioned that since all brands have t-shirts and boxers, it is regarded as standard.
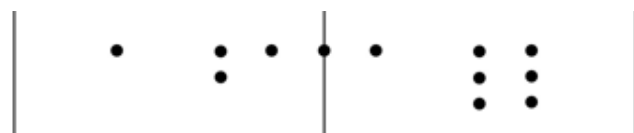
Boxer

Surfboard

The surfboard is ranked as totally fitting Brunotti by two third of the participants. Some participants did not know Brunotti had a history in producing surfboards, nevertheless it seems that the perception of a surf lifestyle related with Brunotti was the driver to rate the surfboard highly positive. Other participants who did not fit the surfboard with Brunotti also did not know that Brunotti produced boards. Most remarkable is the fact that participants reacted positively surprised, when after the test they were informed that Brunotti produced boards. Some participants indicated that they were surprised that Brunotti also was capable of producing technical products like kiteboards, since they only knew Brunotti from clothing. Furthermore two of these participants mentioned that on the other hand, it was logic that Brunotti produced boards, since they linked the brand with boards and the beach. The association with boardsports was present by these participants, indicating that marketing activities have been successful in transferring this image. However, it has not led to the knowledge that Brunotti has its roots in boardsports.

Quote (after the official interview): "They made surfboards, Brunotti is one of those brand that is more than actually you think of, more than clothing, that's funny."
Quote: "Surfboards, no… That's something totally different then clothing, you have to have the knowledge to make thing like that." (young non-sportive)

Surfboard

Snowboard & backpack

The snowboard helmet and backpack were rated moderately positive. The helmet could fit the 'snowboard style', simply since it is part of the winter sport 'outfit'. However participants also mentioned that they wonder if Brunotti, as a clothing company has the knowledge to produce helmets, which requires different capabilities than producing clothing. One participant mentioned: "although I did not put the snowboard as a 'Brunotti product, I could imagine that you could buy a Brunotti helmet, because you also buy a Brunotti winter jacket". The backpack was indicated as an accessory that could fit most brands. On the other hand some participants could see the image of a snowboarder using a backpack, which made it more specifically for Brunotti.

Shoes

The rating of the shoes also resulted in a diverse outcome. The casual shoe was rated moderately positive, it could fit Brunotti since it belongs to clothing, however participants mentioned that there were many other good shoe brands that they would prefer more when buying shoes. The participant that rated the fit of the casual shoe most negatively indicated that making shoes was something totally different than making clothes, and therefore did not trust the quality if Brunotti would produce shoes. The other shoe types, the mountain shoe and running shoe were rated very diverse; the argumentation for other more preferred brands was of even more importance. For example brands like Nike and Adidas were mentioned as strongly preferred for the running shoe over other brands. Notable is the fact that casual shoes showed

a better fit with Brunotti then the running shoes, although Brunotti is indicated as a sports brand. This could indicate that Brunotti is not purely seen as sports brand, which was also pointed out during the association task with images.

Casual shoe

Running shoe
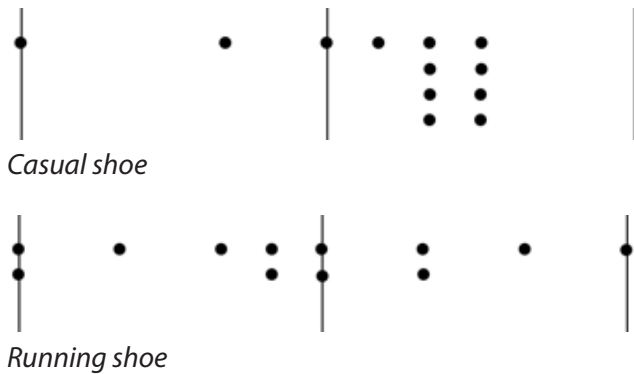
Portfolio overview

Based on the internal information from Brunotti (Straathof, 2013) and the results from the consumer research, a portfolio grid was created see figure 3.8. In this framework Brunotti's products are positioned according to their relative success against their portfolio fit with Brunotti according to the results of the consumer research. The products shown in the matrix represent the different groups of product types within the total portfolio of Brunotti, and do not refer to unique products. For example the helmet represents the total portfolio of helmets offered by Brunotti, this is not the only helmet they sell.

The matrix shows that a considerable amount of products do have a strong portfolio fit, however the relative success rate shows a different picture. Brunotti can rely on the group of winter jackets and snow pants and summer shorts, bikinis and swim shorts, and the Brunotti kiteboards. The other products as sports jackets and trousers, sports backpacks and underwear give a low amount of success to Brunotti. Especially the fashion collection, shoes, and accessories do not deliver the intended success.

figure 3.8 - Portfolio overview (relative succes - portfolio fit)

3.3 Fit between customer perception and Brunotti's strategy

Differences between groups
No clear differences were found between participants who maintain a sportive and a non-sportive lifestyle. The outcome of the projective techniques with pictures and words gave a similar outcome for both sportive and non-sportive. The images and words, which were associated the most with Brunotti, were the same for both groups.

Free associations
From the free association task it came forward that the old-brand-strategy, focused on being a boardsports lifestyle brand, was present by half of the participants; these participants mentioned surfing and winter sport without any help. However, three of the 6 participants who mentioned surfing did not include the surfboard in the group of products that fit Brunotti. Although Brunotti is now producing kite boards, the surfboard itself is somehow not associated with Brunotti. This indicates that these participants associate the boardsports lifestyle with Brunotti, but do not know that they also produce the core product, the boards. Brunotti was mostly associated as being a sports brand.

Personality descriptors
The outcome of the personality descriptors is quite clear. The personality types visualizing snowboarders and persons in summer beach clothing were rated the highest. All participants indicated that the Brunotti brand is focused on young customers up to young adults, representing active and tough persons. From this it can be suggested that the personality types associated with Brunotti do fit with the brands current strategy.

Associations via images
Virtually all participants associated Brunotti with being active, sports, outdoor and enjoy life. Approximately half of the participants also linked Brunotti with being adventures. All participants indicated that the images of the snowboarder and kite-boarder fit Brunotti very strongly. The feeling these pictures evoked fit the brand Brunotti. However knowledge about the brands' origin in producing surfboards was absence. t can be concluded that the fit with the past-brand-strategy is relatively strong. The fit with the 2014-brand-strategy is less strong since Brunotti is positioned less specific, and moved a away from a pure boardsports brand.

Associations via words
Words as sport, happy, colourful, tough and functional were rated on their fit with the brand. Brunotti s described as a brand that provides colourful clothing and further is described as a "happy" brand. In the current and new brand strategy 'colour' and 'positive' feeling are important values for the brand. The results from the association task via words indicated that this image is strongly present by all participants. Other words, which also are brand values of Brunotti, like sexy, and mature, are rated as less fitting the brand. 'Mature' was rated low. Participants indicated that they see Brunotti's target group as young and young adults, were mature is regarded as 'old'.
The fit with the brand values and the perception of the participants gave a mixed result.

3.4 Brand awareness via quantitative research

With the proposed setup of this qualitative research it was not possible to determine the brand awareness of Brunotti. However to obtain insights in Brunotti's brand knowledge it is necessary to first obtain insights in the brand awareness of Brunotti. To do so, next to the qualitative research to determine the brand image, a smaller quantitative research was set up to obtain insights in the current brand awareness. Due to time limits insights on brand awareness are based on brand recognition.

The research set-up consisted of only four questions:
1. Do you know the brand Brunotti?
2. What do you know about the brand? / What do they do?
3. When was the last time you saw the brand?
4. Did you buy something of Brunotti recently? (last 2 years)

The research was done via short telephone interviews and short interviews in person. In total 65 persons were interviewed. The datasheet can be found in appendix O.

Results
The results showed that almost 75% of the participants knew the brand Brunotti. Most participants mentioned that they knew the brand from clothing. Notable is that a little more than half of these participants mentioned that they have not been in contact with the brand for a long time. They could not recall the last time they saw clothing or any advertisement of the brand. Several of these participants recalled that they were familiar with the brand at younger ages, with for example the school agenda, but after this period they lost sight of the brand. A remarkable result of the interview is that of all the participants only 4 persons indicated that they have bought a product of Brunotti in the last two years. However, this can be explained to the Brunotti's market share.

Conclusion
From this quantitative research it came forward that the brand awareness of the brand Brunotti is high. However the high brand awareness can mostly be credited to contact with the brand for at least several years ago, ranging up to 10 years. More than half of the participants indicated that they have not been in contact with the brand for the past two years. It can be concluded that the awareness is high, however the current visibility of the brand is relatively low.

figure 3.9 - Impression of the data analysis for the qualitative research

3.1 Consumer Research

Conclusion – Consumer Research

It can be concluded that the overall perception of the brand Brunotti corresponds with the past-brand-strategy. The 2014-brand-strategy corresponds on several aspects. The aspects of the 2014-brand-strategy that correspond with the perception of the brand are, however, aspects that were already part of the past-brand-strategy and were retained in the 2014-brand-strategy. The brand is strongly associated with 'colour', 'enjoy life', 'sports', 'outdoor' and 'tough', as well as the beach, summer, surfing and winter sports. Other associations with Brunotti are being different, being relaxed, but were less strong. These associations are mostly linked to the past-brand-strategy of Brunotti, since this strategy was focused on the boardsports lifestyle. Brand values like sexy, mature, innovation and clean did not show a strong fit with the brand Brunotti.

The typical customer to fit the brand Brunotti is described as young people and young adults, persons who are sportive and are active in outdoor. Furthermore the typical user is described as a person who is adventurous. Brunotti is also described as a brand for persons who enjoy life and have no stress, mostly related with the image of the beach and summer.

The 2014-brand-strategy is aimed at targeting a larger customer base. In addition, the company wants to address their Italian roots. From the consumer research it came forward that participants did not associate Brunotti with Italy or an Italian lifestyle, which can be explained by the fact that the 2014-brand-strategy will need more time to have visible effect on the brand image. It should be noted that it would probably demand relative high investments and care to change the brand image in respect to the Italian lifestyle, since the brand exists for almost 35 years without the focus on the Italian brand value.

The brand is not determined to deliver pure functional sports apparel. The apparel could also be worn in daily life and not necessarily for sport activities alone. Brunotti, as being a sports brand, was rated positive in the aspect of fashion. However the brand is perceived as unfavourable when the brand is compared to brands only active in the fashion industry.

Brunotti is expected to deliver good value for money. The quality of the products was rated as good, which is contradictory to the assumptions of Brunotti described, in the company analysis chapter, were it was expected that the price-quality ratio was not in balance.

For the product portfolio the most common apparel has a strong fit with the brand, like jackets, t-shirts and shorts. Hi-tech products and products as shoes, which are not considered as clothing, show a weak fit with the brand. There are doubts if a clothing company like Brunotti could also deliver good quality for these products. Also the boards were by some participants regarded as products that were too technical for a 'clothing company like Brunotti'. Products like boxer shorts show a diverse fit with the brand, a product as a boxer short was regarded as a product that 'all' brands do, it is hard to differentiate yourself with his product.
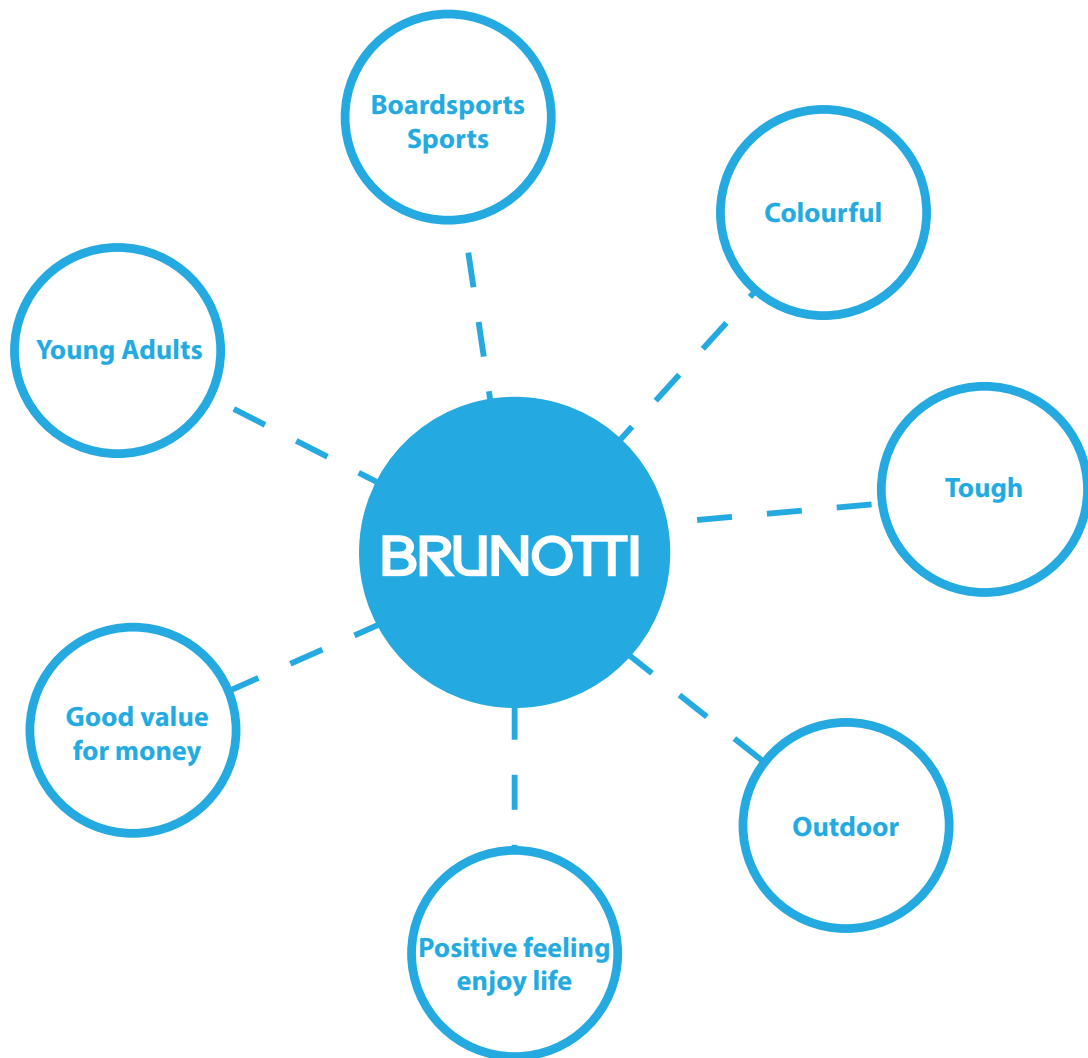
figure 3.10 - Overview consumer research

Overview conclusions ANALYSIS

Brunotti COMPANY

Brand Management
- Brand image unknown
- expected : 'below average'
- No objective brand management

Portfolio Management
- Broad and growing portfolio
- Brand extensions do not benefit from brand image
- Low portfolio decision making effectiveness :
  - moderate portfolio mindset
  - low focused efforts
  - high agility

Company Analysis
- Strategy: 'stuck in the middle':
  - low differentiation
  - premium pricing
- No focus on a growth strategy
- Focus on broad target market
- Own design department

Marketing Management
- Focus on instore POS material
- Fragmented brand manifestation

Brand Management

Portfolio Management

Company Analysis

Marketing Management

BRUNOTTI

misfit between 2014-brand -strategy and brand image

weak competitive position based on 2014-brand strategy

Consumer Research

BRUNOTTI

Consumer

amount and variety of competitors is high

A B C

Competitor Analysis

Industry Analysis

CONSUMER

EXTERNAL CONTEXT

Consumer Research
Brand Image:
- Sports/boardsports brand
- Colourful, tough, outdoor,
- Positve feeling/enjoy life
- For young adults
- Good value for money
Brand awareness: high
Brands' visibility: low

Competitor Analysis
- Large strong competitors
- Broad competitive scope
- Different type of competitors, boardsports, sports, fashion.

Industry Analysis
- Competative rivalry is high
- Threat of substitutes is high
- Buyer power is high
- Especially for fashion industry

Consumer Research

Competitor Analysis

Industry Analysis

4 Transition - From Analysis to synthesis

This chapter serves as a transition from the analysis phase to the synthesis phase. The conclusion of the analysis phase holds challenges that must be overcome to secure and improve the brands' competitive position in the market. In this chapter these challenges, identified in the analysis phase, are transformed in to goals for the synthesis phase to create the new brand strategy.

The new brand strategy consists of four parts. First the new positioning. Second, portfolio management recommendations. Third marketing management recommendations, including concepts for marketing tools. Fourth, recommendations for the brand management. In addition, a roadmap for the implementation of this new brand strategy will be provided.

Portfolio Management

Marketing Management

- More focused portfolio
- Increase porfolio decision making effectiveness

New Positioning

- More focused positioning for differentiation
- Narrow down competitve scope

- Translate postioning
- Increase visibility
- Counter fragmented brand manifestation

Recommendation for brand management structure

Brand Management

figure 4.1

The conclusions of the analysis phased pointed out challenges that needed to be overcome to improve Brunotti's competitive position. These challenges were translated into goals to develop the new brand strategy. Based on these goals, the positioning, the recommendations and concepts for each of the three elements (portfolio management, marketing management, brand management) were designed that can be used for the implementation of the new brand strategy (figure 4.1).

Positioning
A clear positioning that differentiates the brand from its competitors is important for the success of the brand, since a company can only outperform its competitors if the company can establish a difference that it can preserve (M.E. Porter, 1996). This can be done via three generic strategies, cost leadership, differentiation, or focus. Since Brunotti is unable to establish a cost leadership and is broadening its focus strategy, a differentiation strategy is used, which demands a clear positioning.
The new positioning must be more focused than the 2014-brand strategy, in order to create the possibility to establish a strong point of difference (PoD). With a more a more focused positioning and a strong PoD the company than can differentiate itself from its competitors (Riezebos & Grinten, 2011).
Goal
Create a new more focused positioning that makes Brunotti able to clearly differentiate itself from it competitors and narrow down the competitive scope.

Portfolio management
Following the proposal of a more focused positioning, the brands' product portfolio should also be more focused. Herewith a balanced portfolio is created with the strong successful collections, and promising but riskier new collections. The product portfolio must be in-line with the strategy of the firm, in order to deliver maximal portfolio value, which consists of profitability, return on investments and the likely hood of success (Kester, Hultink, & Griffin, Unpublished). Furthermore recommendations on portfolio decision-making are needed for future effective portfolio management.
Goal
Provide Brunotti with a balanced portfolio and to provide Brunotti with recommendations on portfolio decision-making

Marketing management
Via marketing Brunotti needs to visualize and transfer the new positioning to its target market, and increase the brands' visibility. Furthermore it is important that all marketing activities show one and the same brand and create an overall identical brand image and counter the fragmented brand manifestation. This is especially important since the Brunotti products are sold via various retailers.
Goal
Visualize new the positioning, increase the brands visibility and counter the fragmented brand manifestation.

Brand management
To increase the chances of a successful implementation of the brand strategy the overall brand management must be improved. Via brand management all the brands' manifestations must be controlled, in order to secure one brand manifestation, to be able to establish the differentiation, establish a strong brand image, increase the brands visibility, finally resulting in high brand equity.
Goal
Provide recommendations for brand management, for guiding the overall brand management.

5 New Positioning

This chapter describes the new positioning designed for Brunotti. The new positioning includes the description of Brunotti's core values, the positioning statement; the description of Brunotti's brand values. This new positioning was based on the information acquired in the analysis phase. The new positioning is the central element of the brand strategy and serves as input for the three other elements of the brand strategy respectively, portfolio management, marketing management and brand management. (figure 5.1)
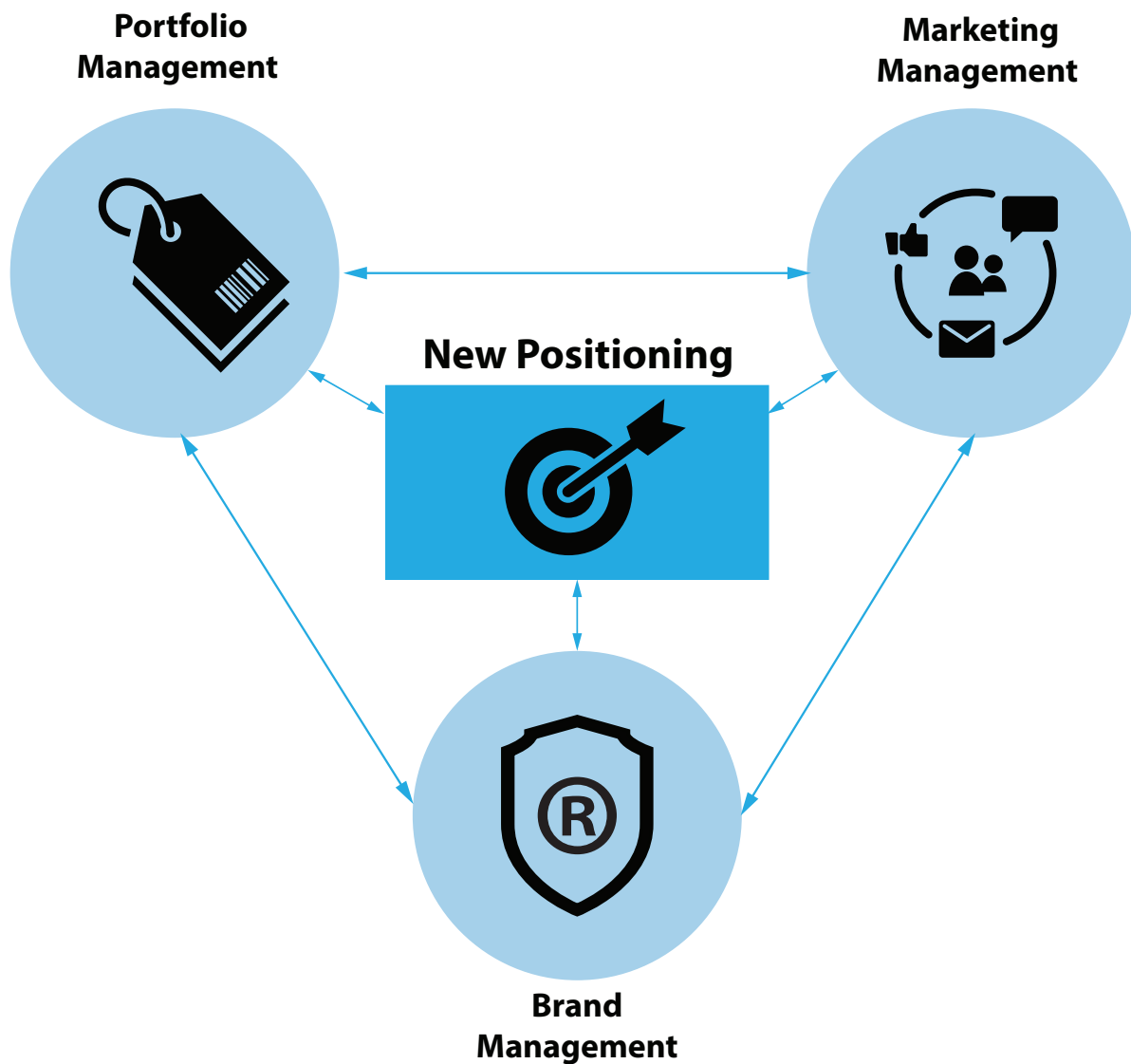
Portfolio Management

Marketing Management

New Positioning

Brand Management

figure 5.1

5 New Positioning

5.1 The new positioning of the brand Brunotti

Conversion of positioning and collection
The core of the new brand strategy lies in the recommendation to regain focus in all the brands' activities. The current path that the company has taken in order to realize the set growth goals has put Brunotti in the worst position of being "stuck in the middle", to be neither different nor lower in costs than competitors (Walker et al., 2008), and made the brand start fight its competitive battles in different industries. To prevent the Brunotti brand from loosing its differentiation and lacking the resources to stay competitive in all industries, in respect to Brunotti's company size, it is recommended that Brunotti focuses on the strong aspects of the company, the sports and lifestyle products and their brand image. Brunotti must differentiate again.

In the new brand strategy the new positioning is narrower than the 2014-brand-strategy to improve the differentiation, and the product portfolio is reduced on collection level to increase the resources for the remaining collections to focus and invest in the company's strengths. By doing this, the company will re-establish the brands positioning from the point at which the brand can strengthen its competitive position by its differentiation and eventually can achieve structural growth on the long-term (Walker et al., 2008).

The New Positioning structure (figure 5.2)
The key element of the new brand strategy is the positioning of the brand Brunotti. This positioning includes the positioning statement, which describes the target market, the product category in which it competes and the unique benefits the products offer (Walker et al., 2008). In the 2014-brand-strategy and the old-brand-strategy of Brunotti (the third dimension) a positioning statement was not included in the brand strategy. In order to create a new brand strategy that better describes Brunotti's positioning, a positioning statement will replace the brands mission and vision. In order to create the positioning statement, the Brunotti DNA (core values) is used as a basis, that explains who Brunotti is. These core values are redefined in order to best illustrate who the brand Brunotti is. Furthermore, the brand values, which were not explicitly included in the 2014-brand-strategy, are added to the new brand strategy. The brand values describe what positioning and the brand Brunotti actually mean for the customer. The most important reason to describe the Brunotti DNA and the brand values separately is to clearly describe the difference between who the brand is as a company, the Brunotti DNA, the culture, and what the company means for the customer, the brand values.
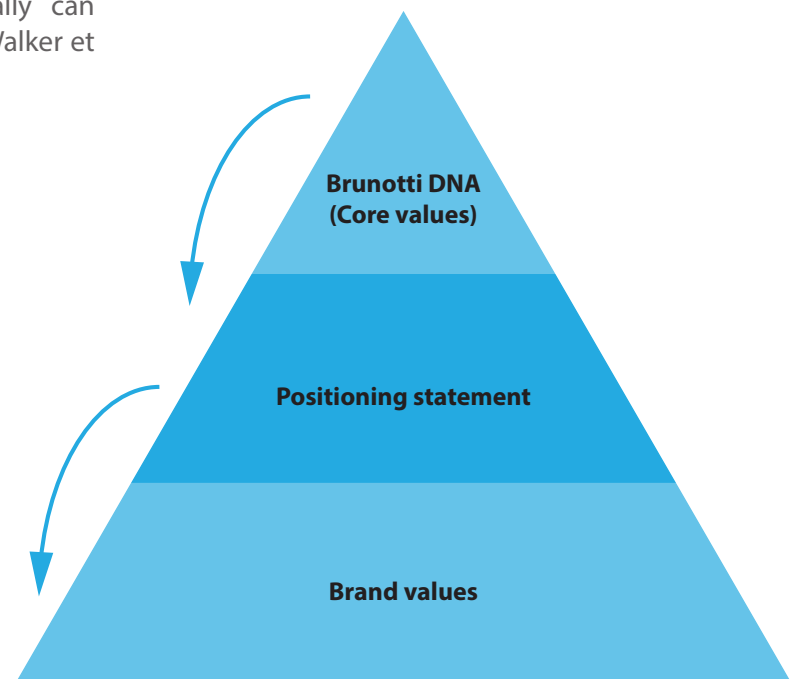

figure 5.2 - Structure of new positioning

5 New Positioning

New Brunotti DNA (core values)

The core values; heritage, technical, tough, clean, colour and mature remain included in the new Brunotti DNA. These current core values fit the new positioning statement. The core values; sexy and quality are respectively deleted and transferred to a brand value.

New Brunotti DNA

- **Heritage**= Brunotti's core and history are rooted in their boardsports heritage.
- **Technical**= Brunotti can guarantee the technical knowledge that Brunotti has in boards and technical aspects of their clothing, including on professional level.
- **Tough**= The tough roots of boardsports are still reflected throughout the whole brand
- **Clean**= A principle for the design of the products, Brunotti wants to deliver products that are well finished, without imperfections in the products and without garish designs and details.
- **Colour**= From their early years the use of colour has been a characteristic of Brunotti's design
- **Humour**= This aspect is partly reflecting the feelin' good factor. Humour is essential for creating a smile, by taking everything not too serious and being open to new idea's.

Replaced Brunotti DNA

- **Sexy**=The core value sexy is not linked with Brunotti by consumers and is not a strength for Brunotti for their differentiation. The interpretation of sexy by consumers is not in line with the interpretation of Brunotti.
- **Quality** = This value better describes what the consumer can expect rather than who the company is and is transferred as brand value.
- **Mature**= Brunotti wants to express itself as a mature company, however Brunotti is regarded as a brand for young adults and 'mature' generally evokes a sense of old-fashioned, which is not the desired interpretation of the core-value 'mature'.

Positioning statement figure 5.3)

The main input for the positioning statement is derived from the brand image, found via the consumer research:

Brunotti is known as a sports brand, mainly for surf and winter sport
The brand is known for colourful and notable design
The brand Brunotti evokes a positive feeling

From the analysis phase it came forward that the pursue of the current brand strategy and the growth goals in sales, has led to a low differentiation strategy, resulting in a relatively large field of competitors in different markets, and a widely stretched portfolio. To avoid the risk that Brunotti becomes to generic and will loose its differentiation the following aspects are taken into account as input for formulating the positioning strategy:

Use boardsports roots to stand-out, true to roots
Take distance from (real) fashion industry (company size)

By using the input mentioned above, the following positioning statement is formulated:

"To our sport enthusiasts and fanatics who enjoy the fresh air a little challenge and excitement, Brunotti brings you sports-lifestyle apparel and products with distinctive design, functionality, and above all a smile."

The positioning in detail

Target group

The company is currently targeting a broad target group, all persons with sportive and healthy lifestyle, who want to feel free, enjoy life and respect nature. The new definition of the target group will remain close to the current definition, however the definition is more specified to better fit the brands' roots and to narrow down the target group in order to strengthen Brunotti's differentiation.

5 New Positioning

old: men, woman, and kids
Emphasis on the amateur and proffesional

old: respect nature
Enjoy nature by emphasising
the enjoyment of outdoor activities

"To our sport enthusiasts and fanatics who enjoy the fresh air

a little challenge and excitement,

Brunotti brings you sports-lifestyle apparel and products

with distinctive design, functionality, and above all a smile."

old: feeling free enjoy life
Explain the reason how to actually enjoy life
and a more specific link with the brands' roots

old: sport fashion industry
'Fashion' is deleted in order
to regain focus on the sports industry

old: Feeling good-factor
An actual discription of the
new feeling good-factor

figure 5.3 - New positioning and the changes

"To our sports enthusiasts and fanatics…"
In the new positioning the target group is defined as sports enthusiasts and fanatics. The first part of the definition of the target group remains close to the current definition, people that are in the need of sports and functional products. Only the description of 'men, women, kids' is removed, since it is superfluous, and it does not make any distinction. By including the description of sport enthusiasts and fanatics, describing the consumer and professional market, the brand can show that it is capable of delivering good quality products. The association with the professional market can improve the perceived quality.

"… who enjoy the fresh air, a little challenge and excitement…"
The second part of the definition of the target group

refers back to the roots of Brunotti, the boardsports, and even further to the surf sports. The boardsports are, in general, performed outdoor and will bring a certain level of challenge and excitement, since nature has influence on for example the boardsports by either helping or challenging. The target group enjoys being outdoors and is not afraid of a little challenge and excitement, from amateur to professional level.

The concept

"…Brunotti brings you sports-lifestyle apparel and products…"
Brunotti will remain active in offering apparel and products for sports and the lifestyle associated with it. The focus will be on the industry of sports and fashion will no longer be included, which was introduced in the 2014-brand-strategy. The strength of the company lies in apparel and products for the sports and lifestyle

associated with it. By focusing on one industry the company can focus all its resources on increasing the success of growth in this industry.

Point of difference

"…with distinctive design, functionality, and above all a smile"

Brunotti will have three main aspects where it can differentiate itself from the competitors, the so-called points of differences. These three aspects are derived from the brand image, which was obtained from the consumer research. Firstly the distinctive design will include the aspects of colour and bright appearance. Secondly, functionality, will cover that Brunotti's products will always have an extra functionality feature that add to the primary aim of the product. Thirdly, the brand in general will be recognisable by some very distinctive statements, which have the main purpose of being memorable, since they are surprising or funny. This eventually will lead to a 'smile' by the consumers, which also refers to the current brand image and the company's slogan "Feeling good has a name", which stay unchanged.

Removal of the Italian roots

The Italian roots are also determined as a point of difference by Brunotti described in the 2014-brand strategy. However from the consumer research it appeared that consumers do not match the Italian roots with Brunotti. Furthermore the Italian roots are not a strength of Brunotti since they virtually do not have knowledge about Italian design, because in recent years no persons with Italian background and knowledge have been active within the company. If the Italian roots are claimed, these promises have to be fulfilled, and with the lack of knowledge it is most likely that Brunotti cannot fulfil this promise, which most likely will harm the brand. Therefore the Italian roots are no longer included in the brands positioning.

New Brunotti Brand values

- **Quality** = Brunotti stands for products that are of good quality and the durability of these products.
- **Functional** = The products of Brunotti deliver, next to design, also functionality. For example jackets will keep you warm and dry during the winter.
- **Comfortable** = Comfort is as important as the design, especially for clothing. The users have to feel good in their clothes, also because they are comfortable to wear.
- **Surprising** = Brunotti brings new and unexpected aspects to the products and the brand, in order to evoke a smile. The products and the brand itself will bring a smile via humour and the unexpected.
- **Exciting** = The products and brand evoke excitement. Especially with the boards, the excitement also lies in the courage of the consumer and Brunotti will guide them.

5 New Positioning

Conclusion

The new positioning statement including Brunotti DNA (core values) and the Brunotti brand values are narrower than the 2014-brand-strategy and focused on a strong differentiation of the brand. The new positioning is focused to rely on the brands' image, roots and strengths as a boardsports and sports & lifestyle brand, the aspects where Brunotti can live up to. The new positioning has furthermore a more narrow competitive scope than the 2014-brand-strategy, in order to reduce the brands competitive rivalry. The focus on a strong differentiation also reduces the threat of substitutes.

The Brunotti DNA (core values) and the brand values are stated separately in the new positioning to make a clear difference between who the company is and what it delivers to its customers. Furthermore there is more emphasis on the emotional positioning of the brand Brunotti, the goal to create a smile by its customers. Herewith an unique selling point (usp) "to create a smile" is created, which however is inspired by the companies long-time, but faded concept of the feelin' good factor. Together with the heritage of Brunotti the new positioning makes that Brunotti is different from its competitors in the sports and lifestyle industry and can clearly differentiate itself from its competitors.

6 Portfolio Management

This chapter describes the recommendations for portfolio management. The portfolio management is divided in two parts. The first part describes the recommendations for the product portfolio. This part describes the recommendation to liquidate the fashion and footwear collection, to focus on the strong collections and products of the total portfolio. The part also describes the recommendation to create of a new signature collection to counter the brands' fragmentation. The second part of this chapter describes the recommendations for the portfolio decision making for the product and sponsorship portfolio. The sponsorships are part of Brunotti's marketing activities, nevertheless in light of the portfolio decision-making process the recommendations in the management of the sponsorship portfolio will be described in this chapter. (figure 6.1)
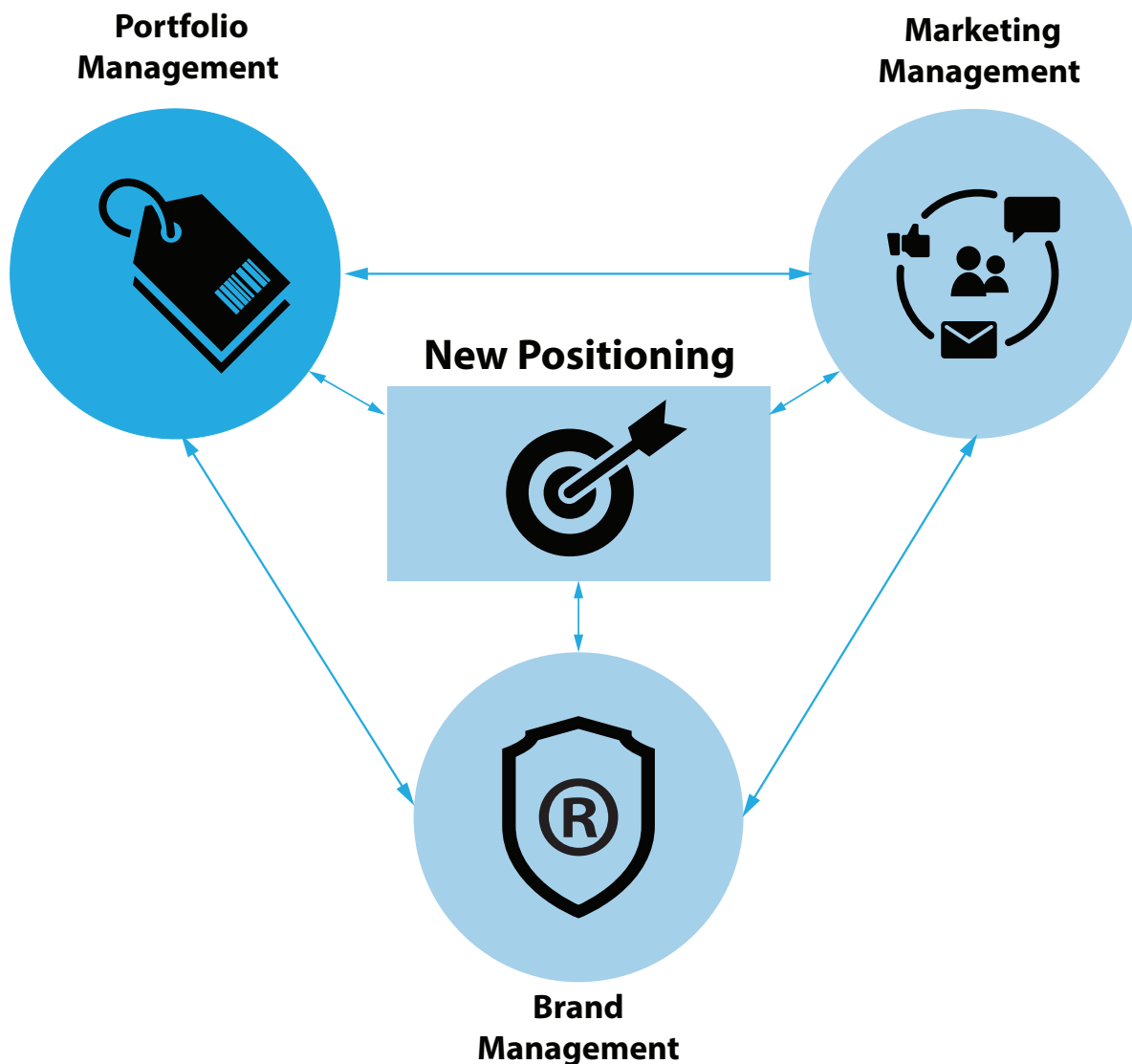

figure 6.1

6 Portfolio Management

6.1 The product portfolio

The two major recommendations in the product portfolio are the liquidation of two collections, namely the fashion collection and the footwear collection, in order to refocus Brunotti's resources to Brunotti's strong collections. Herewith a balanced portfolio is created with strong successful collections such as the sports collection, and promising but more riskier collections like the underwear collection. Further there is the recommendation to develop a collection that represents the width of Brunotti's portfolio, named as the signature collection, in order to counter the fragmented brand manifestation.

Collection liquidation

Fashion
The fashion collection is new for Brunotti as well as the fashion industry; therefore several challenges that Brunotti faces were determined. Firstly, Brunotti is a negligible player in this industry and from consumer research it could be seen that Brunotti is mostly associated with sports and boardsports, and not with fashion. Secondly, resources for the fashion collection are small and are not likely to grow considerably due financial limitations. To become successful in the fashion industry Brunotti has to overcome the image of a pure sports brand, which has been built up since its establishment. Furthermore, considerable investments are needed in the coming years to position the brand in the fashion industry. Next, Brunotti can compete within the industry of sports, though competition is high, and therefore Brunotti does not hold a strong position of which a brand extension like a fashion collection could benefit from. Additionally, the point of differentiation for the fashion collection was for a large part based on the 'Italian-roots', however these are not associated with Brunotti and are no strength of the company. Lastly, by using the BCG-matrix the fashion collection is classified as a 'dog', in this case generating losses (Walker et al., 2008).

All together the fashion collection awaits a highly challenging future. With the new brand strategy refocusing on the brands' strengths in order to strengthen the brands' competitive position, it is recommended to liquidate the fashion collection. With the liquidation of the fashion collection more focus can be given to the sports & lifestyle collection and its marketing, since more resources will become available for development, sales and marketing. Herewith Brunotti can invest their sport & lifestyle collection that already proved to be successful for the company, instead of attempting to enter a new industry when competition is high and the brand is fragmented in its manifestations. The liquidation of the fashion collection will of course mean that Brunotti has to bear some financial loss, however the fashion collection is small and sales are very low compared to the total sales, therefore it is expected that the loss will be acceptable.

Footwear
The footwear collection faces similar challenges as the fashion collection, like the brand image and being a negligible player. The consumer research revealed that footwear had not a particular strong fit with Brunotti. Furthermore, the collection is classified as being a 'dog' in the BCG-matrix and in light of the refocus on Brunotti's strengths the footwear collection is not a strength of the company. It is therefore recommended to liquidate the collection. However, different from the fashion collection, the footwear collection is included in Brunotti's product portfolio for a longer period, therefore accounts for 3% of the brands turnover and will have higher financial impact in the case of liquidation. Since the footwear collection is under licence, loss of investments are low. However to make the liquidation financially acceptable in respect to the loss in turnover Brunotti should harvest dogs business and gradually phase the collection out (Walker et al., 2008). With the liquidation of the footwear collection more focus in especially sales and marketing can be given to Brunotti's remaining successful collections.

Investment in collections
The now available resources can be used for the remaining collections including the underwear, helmet, goggles, backpacks and lifestyle collections. These collections are all classified as 'question marks'

in the BCG-matrix. Especially the snow-helmets and snow-goggles showed a perfect fit with the brand according to the consumers, and both their relative positions are moderate. These stars have therefore potential to be turned in to 'stars'. The underwear collection shows a more or less same relative position, but showed a less strong fit then the snow-helmets and snow-goggles. Nevertheless underwear shows potential and consumer research indicated that underwear did not harm the brand image of Brunotti. The summer lifestyle collection, for example shorts and dresses as beachwear, is a question mark that shows high growth rate and is seen as typically fitting Brunotti. The sport backpack is a question mark that has a very low relative position, but is produced under licence and investments are therefore low and the fit with the brand was regarded as positive. With the low financial risk, relative high growth rate and a positively rated perceived fit it is recommended to invest in the backpack portfolio.

Collections for brand exposure

The most accessories of Brunotti, including the sunglasses and beanie collection, are classified as dogs in the BCG-matrix. Most collections are produced under licence and hold low financial investments for Brunotti. From the consumer research it could be concluded that these accessories show a moderate to strong fit. Although the collections are dogs and in all probability will remain dogs due to strong competition, these collections are used for brand exposure, and are therefore of importance for the company. Since the low investment costs the financial risks are low and these accessories remain included in the brands' portfolio.

6.2 Signature collection

Next to the liquidation of two collections, there is the recommendation to develop a collection that represents the width of Brunotti's portfolio, named the signature collection, in order to counter the fragmented brand manifestation. This signature collection includes a set of Brunotti's key products which are all connected via a particular design style, the Brunotti signature. The collection could for example consist of a kite board, jacket, shirt, short, bikini, and some accessories (figure 6.2). The signature collection must be implemented in the summer as well as the winter season, since these seasons deliver different products. The most important aspect is that the collection displays the variety of products that Brunotti offers, and presents them as one unity under the Brunotti brand. The variety of products that is often unknown and overlooked by consumers, especially regarding the Brunotti boards. The width of the sports & lifestyle portfolio, however, positively surprised consumers, and can be used as a strength. Furthermore the aim is that the boards, for example the kite board, positively influences the quality perception of the other products in the signature collection, since professionals including athletes with celebrity status use the boards. Also knowing that the use of celebrities, in this case professional athletes, can positively influence the brands' equity and credibility (Spry, Pappu, & Cornwell, 2009).

The development of the collection itself does not require high investments, because these products can be based on other products that are in development

for this same season. On technical level these products do not have to be different and uniquely developed, which does not require extra investments. Most importantly care must be given to connecting all the products with a single design style, which is based on the brands' positioning statement. Most investments will be in the marketing activities, and will be further explained at the marketing management chapter (see chapter 7) The signature collection is displayed in the ideal situation and available at the Brunotti retailers, to show the width of the collection.

The first signature collection should be launched for the summer collection, since the summer collection contains the Brunotti core products: the boards and the collection of beachwear by which Brunotti became well known. The launch of the new signature collection could then put focus on the core and the roots of the company and make consumers aware of it.
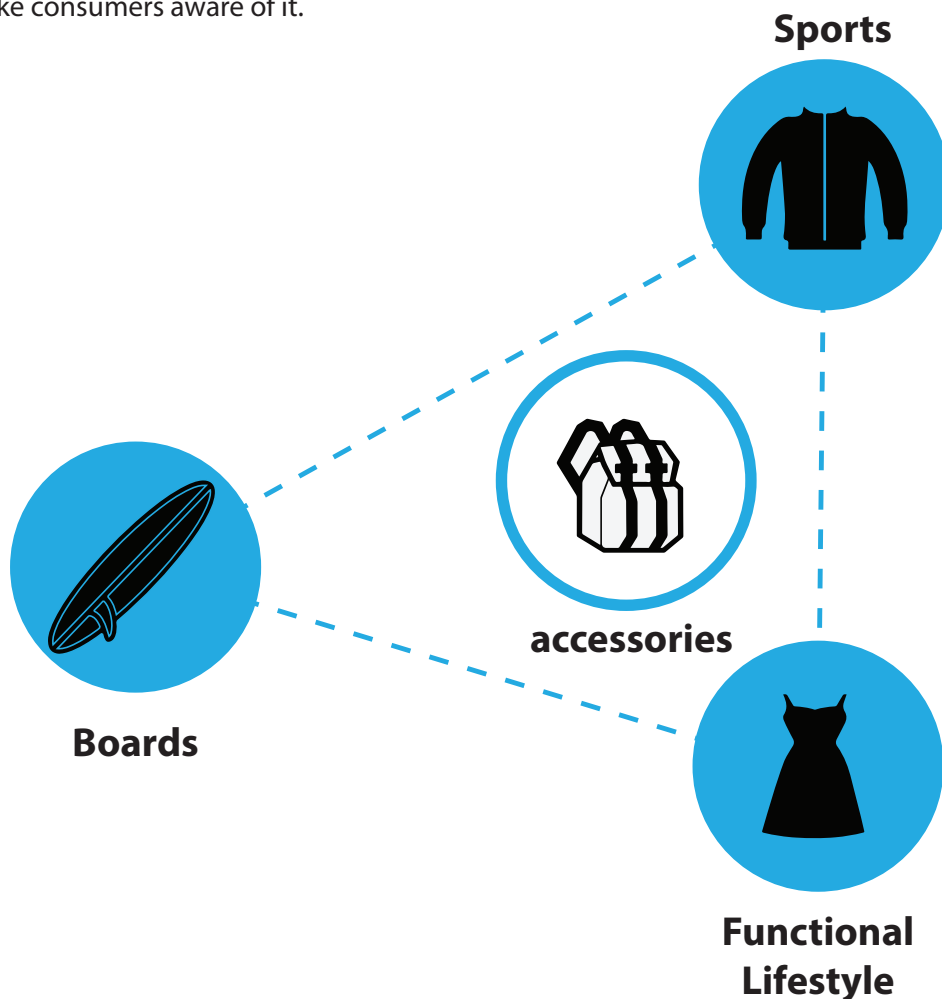
Sports

accessories

Boards

Functional Lifestyle

figure 6.2 - Structure of new positioning

6 Portfolio Management

6.3 Portfolio decision-making of the product portfolio and sponsorships

In the light of the portfolio decision-making process recommendations on the portfolio management of Brunotti's product and sponsorship portfolio will be given. The analysis of the portfolio decision-making process revealed that the portfolio decision-making effectiveness was low, with a moderate portfolio mindset, high agility and low focused efforts. Decisions on the product portfolio where not necessarily aligned with the firms' long-term strategy. The decision-making regarding several sponsorships was based on power-based decision-making and did not take the best interests of the company into account. Therefore it is recommended that decisions on the product and sponsorship portfolio are aligned with the firms' long-term strategy and are not influenced by power-based decision making. This in order to move to a more evidence-based decision making which helps to increase decision-making effectiveness, which is important for achieving portfolio success, and therefore positively influence market performance (Kester et al., Unpublished).

Practically it means that decisions on the portfolio should be made only in the best interest of the company, by following the brands' positioning in light of the brands' long-term strategy. Furthermore to increase evidence-based decision making cross-functional collaboration at all levels should be supported, market research activities should be increased and focusing on objective decision making by avoiding opinion-based decision-making.

Conclusion

The liquidation of the fashion and the footwear collection is the most radical recommendation for Brunotti's product portfolio. Both collections are classified as 'dogs', are not strengths of the brand, and most importantly are not in line with the brands image and the new brand strategy. The liquidation is recommended to regain focus within the total product portfolio of Brunotti in light of the long-term brand strategy to reach structural sales growth. Herewith a balanced product portfolio can be created. Brunotti has to bear financial losses accompanied with the liquidations, however due to the small share in the total sales and by gradually phasing out the collections losses can be made acceptable. The resources that become available due to the liquidation can be invested in Brunotti's main collections: the sports and lifestyle collections. Furthermore, the resources can be used to turn the 'question marks' with potential in to 'stars': the snow-helmet/goggles, underwear and the summer lifestyle collections.

To creation of the signature collection is intended to counter the fragmented brand manifestation and to demonstrate the diverse Brunotti product portfolio. Moreover, by gathering the different products in one signature collection the consumer products can benefit in quality perception from the professional products, like the Brunotti boards.

Lastly there is the recommendation for the portfolio decision-making. Brunotti should only decide on products and participate in sponsorships that are in the best interest of the company and are in line with Brunotti's brand strategy, in order to positively contribute to Brunotti's brand image.

6 Portfolio Management

This chapter presents the recommendations for marketing management and concepts to implement the new positioning via marketing tools. The concepts for the marketing tools include concepts for point of sale (POS) material and concepts for packaging design. The goal of the marketing management part was to increase the brands visibility and to counter the current fragmented brand manifestation. To achieve these goals design tools, such as a brainstorm, were used. With this brainstorm ideas were created and further developed into a concepts. (figure 7.1)
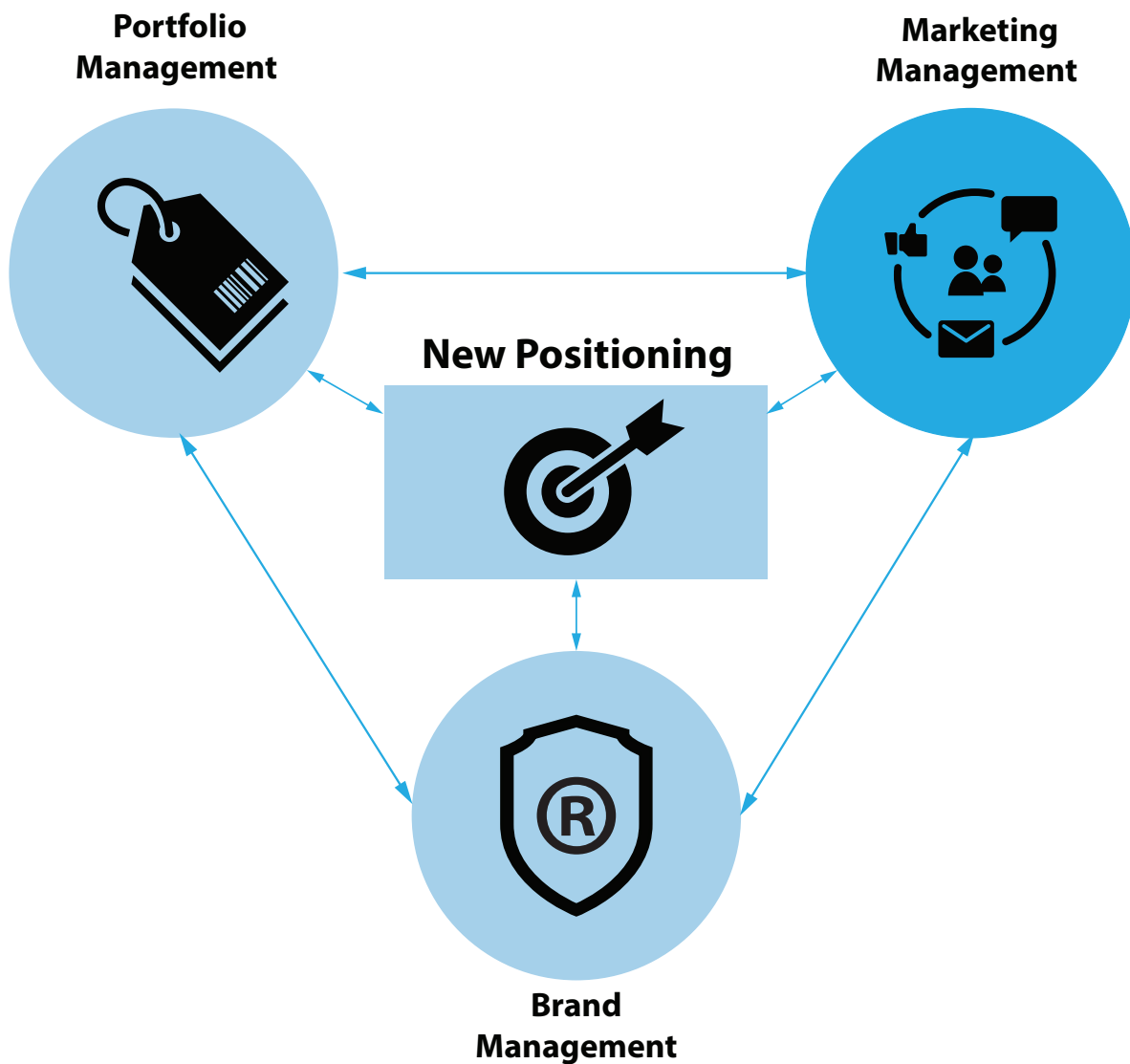
Portfolio
Management

Marketing
Management

New Positioning

Brand
Management

figure 7.1

7.1 Idea generation

The main goal for the design and development of the new marketing concepts was to overcome the two main challenges identified for marketing management in the analysis phase:
- Overcome the low visibility of the brand
- Overcome the fragmented brand manifestation

Further, the new marketing concepts are all based on the new positioning:
- Overcome the low differentiation of the brand.

Brainstorm

In order to develop the new marketing concepts a brainstorm session was conducted. The help of other creative minds is very valuable during the idea phase. The brainstorm method is commonly used in creative thinking to come up with a lot of ideas to solve a problem (Boeijen, 2014). Other people will encounter problems and solutions from a different perspective, and come with new ideas. These ideas could be used and further developed or implemented in the design of the concepts. A complete overview of the idea generation can be found in appendix M.

H2's (How to's)

For the brainstorm H2's questions were used to generate ideas (Roozenburg & Eekels, 1998). The H2's that were created were based on three problems that needed to be addressed to successfully execute the brand strategy to the target group. The H2's were formulated in a general manner not to limit the creative freedom of the participants. (figure 7.2)

The problems	Explanation	H2	H2 abbreviation
Low differentiation (positioning)	The brand must differentiate itself from the many other brands. Creating a smile is an important aspect of the positioning.	How to make someone happy with a brand?	H2 make happy
Low visibility (marketing)	The brand must be more visible in order to create a strong competitive position	How to stand out with a brand?	H2 stand out
Fragmented brand manifestation (marketing)	The product portfolio must have coherency to achieve a strong and clear brand manifestation	How to link products? (Creating a unity)	H2 Link

figure 7.2 - Overview of H2's for the brainstorm

Idea's from the brainstorm
The ideas for every single H2 that were generate by the participants during the brainstorm were rated by the participants and the best ideas are shown in figure 7.3.

Elaboration of idea's
Overall the ideas remained very general, which was logical since the H2's were deliberately formulated in a general manner. During the discussion of the ideas more specific ideas were generated. These ideas were further elaborations on the best-rated ideas of the H2's. The ideas of the H2 of 'how to stand out' and 'how to make someone happy with a brand' were combined.

Elaborated ideas for H2's, "How to stand out & How to make someone happy":
• Joking via packaging, packaging experience
• A shopping bag could be something special, a product on its own
• Buying something should be a present for your self
• Shopping bag should be special, you want to keep it, which is also more environmental friendly, and customers will use it again.
• Product packaging could be surprising i.e. pizza-box
• Functional packaging, you can use it again differently
• Collectors packaging, packaging is a product on its own, collectables

Elaborated ideas for H2: "How to link products (create a unity)?":
Create a single style collection
• Focus one segment, a niche and becoming the best in this niche
• Focus on one sport, becoming known via that sport

Discussion of outcome brainstorm
The initial ideas of the brainstorm, via the H2's, evoked very general ideas. These ideas where mainly suitable for the general directions of the concept development. The discussion of the ideas resulted in more specific ideas, which could be further developed into concepts. The ideas to use surprises in combination with humour were very useful for the design of the new marketing tools implement the new brand strategy in marketing. The ideas and themes of the ideas were used for the concept development.
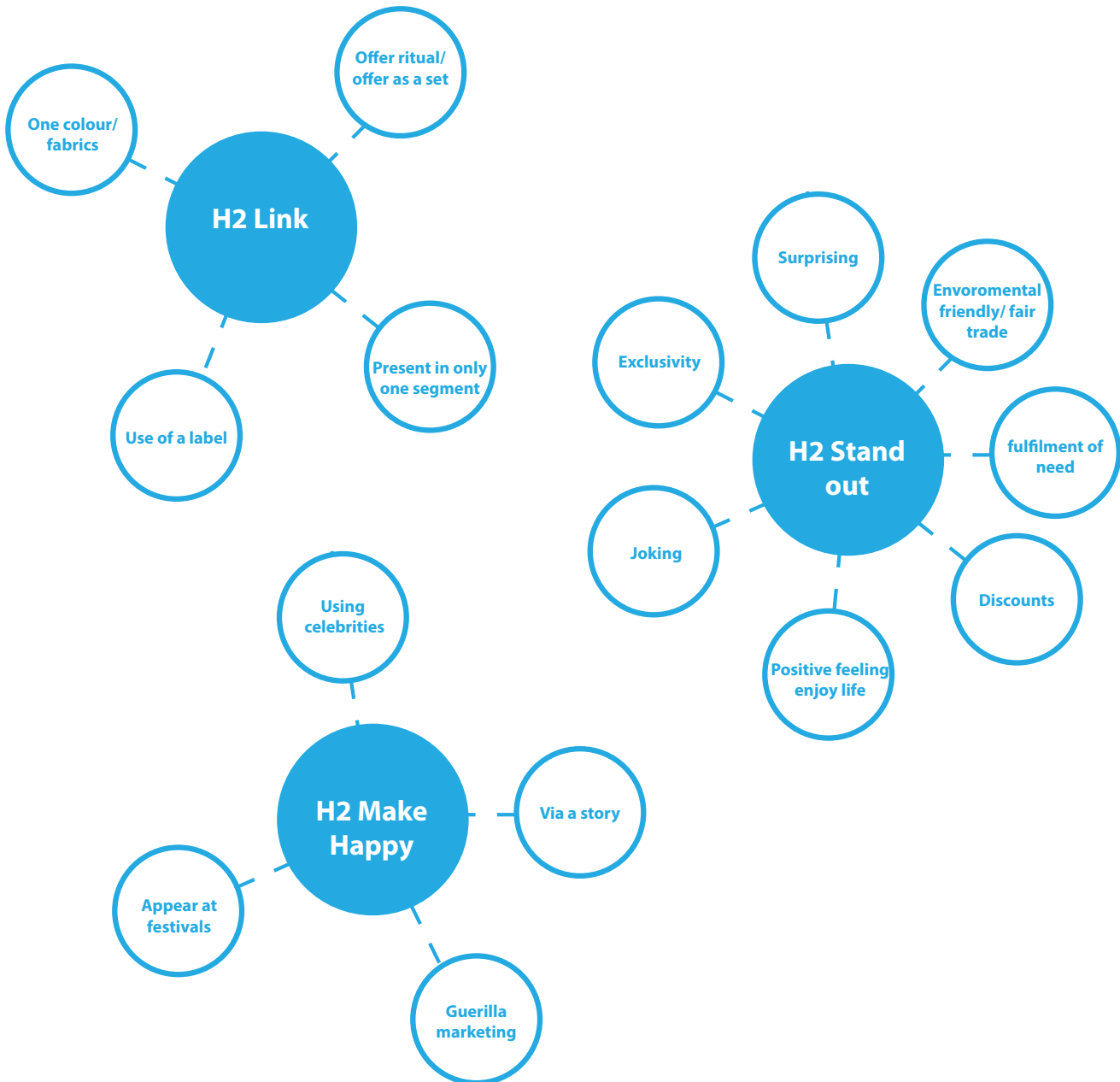

figure 7.2 - Participants during the brainstorm

One colour/ fabrics

Offer ritual/ offer as a set

H2 Link

Present in only one segment

Use of a label

Surprising

Envoromental friendly/ fair trade

Exclusivity

H2 Stand out

fulfilment of need

Joking

Discounts

Positive feeling enjoy life

Using celebrities

Via a story

H2 Make Happy

Appear at festivals

Guerilla marketing

figure 7.3 - Overview of H2' ideas

7 Marketing Management

7.2 Concept generation

Based on the ideas and the inspiration from the brainstorm several ideas were generated. The ideas were based on the three challenges (same as the of the brainstorm) and combined with Brunotti's strengths from the analysis phase.

Challenges:
• Overcome the low visibility of the brand
• Overcome the fragmented brand manifestation
• Overcome the low differentiation of the brand

Strengths:
• Own design and development
• High agility in decision making
• Brand image

The ideas that were generated where further evaluated to see on what level these ideas could help to overcome the three main challenges. From this evaluation four ideas were chosen and were further developed into concepts.

The four concepts:
1. POS material (point of sale), with the activity element
2. A signature collection, an overall collection (see chapter 6.2)
3. Packaging design
4. Pop-up store

Brunotti's marketing tools
The four concepts together with Brunotti's current marketing tools are the core for Brunotti's marketing activities (figure 7.4).

figure 7.4 - Overview Brunotti's new and current marketing tools.

7.3 Active Shopping concept as POS

Brunotti currently already uses a variety of POS material to present their brand and their products at retailers. As mentioned in the analysis, Brunotti believes that consumers make their purchase decisions on the spot at the retailers. The concept of active shopping is based on the use of POS material in an active manner instead of passive, like a poster. The basic idea of active shopping is that consumers 'must' perform an activity during their shopping. The POS material will attract and challenge the consumer during his or her shopping. The activity that the consumer has to perform will deliver the consumer a particular benefit. This could be that consumers have to perform an activity to get accesses to the products of Brunotti, in this case the POS material could be integrated or function as shelf space. Another option is that by completing the activity the consumer will receive a certain discount, this could be an activity like a challenge. The POS material for active shopping will be divided into three groups -different levels, based on their size and the amount of investment of the POS material. The three levels will be explained later.

*   Small to medium sized retailers
*   Large retailers
*   Shopping centre / promo stand

The advantages of the active shopping concept

Translation of the positioning
With the active shopping Brunotti can differentiate itself from the competition, the other sports brands. The active shopping concept is a physical materialisation of the new positioning of Brunotti as a sports and lifestyle brand with references to the boardsports roots. Being a sports brand is literally translated into getting the customer active, not only when using the product but starting from the moment of purchase, to let them explore and experience the brand Brunotti. Furthermore, the active shopping experience is a 'fun' way to get in touch with the brand, since the new

positioning is also aimed at being a brand that creates a smile on the faces of their customers. Via the active shopping concept Brunotti can give their customers a little challenge, getting them active and hopefully make them smile. The translation of the positioning via the active shopping POS will help to establish and strengthen Brunotti's brand image as a sports and life style brand, with roots in boardsports, that it is known for its humour and makes consumers smile.

Increase visibility
The 'active shopping' POS material that challenges the consumer to perform a particular activity, will increase the visibility of the brand Brunotti, since the POS material is used in an active manner instead of passive. The consumer is confronted with the challenge of the POS in order to gain a particular benefit. Additionally the active shopping POS is intended to provoke curiosity by the consumer. The consumer will only know its benefit when the challenge of the active shopping POS is completed. Another result of the active shopping POS will be that consumers remember the brand Brunotti better since they get actively involved with the brand during their store visit. Therefore, Brunotti's brand awareness will increase.

Discounts & (Social) Media
The active shopping POS material can be linked with other marketing tools as traditional and social media and also with discounts. The active shopping itself can be promoted via traditional and social media to attract more consumers to the stores to try the active shopping POS themselves. On the other hand, successful active shopping POS material can be used in the traditional and social media to get the attention of a large audience for the brand Brunotti, to show them the new shopping experience.
Discounts can be used as a means to 'reward'. Discounts are commonly used to attract consumers and are mostly used at the end of the season to sell the old collection. In combination with the active shopping POS material the consumer can get discount (during the season), however under the condition that they have to do something in return. The consumer should take a little challenge and perform a particular sportive

activity created with the active shopping POS. Herewith Brunotti challenges their customers to become active and earn their discount in an attractive way. Next to discounts this concept can also be used to 'earn' free promotional materials, for example at events.

The concepts

The active shopping POS materials are divided into three levels according to their size, costs, and impact: level 1, level 2 and level 3.

Level 1 - Small to medium sized retailers
The first level of the active shopping POS material is intended for small to medium sized retailers.
The POS material will range from the size to fit on a pay desk or on a shelf, to a display stand of roughly the size of a person. Most important is that these POS group contains entry level active shopping POS for small retailers, to also include them to spread the new positioning. (figure 7.5)

Level 2 - Large retailers
The second level of the active shopping POS material is meant for the large retailers. These retailers have large store spaces in the city or have 'mega-stores' outside the city on for example business parks. The level 2 POS materials are larger and more expensive than the level 1. The POS material can function as product shelves and are stand-alone display stands in a shop. (figre 7.6)

Level 3 - Shopping centre / promotion stands
The third level of active shopping POS material is the largest and is meant for shopping centres and promotional events. An important difference is that the level 3 POS material is not used by retailers, but is exploited by Brunotti itself. These POS materials will be used as promotional stands at for example shopping malls and events. An important difference is that the level 3 POS materials are, in most cases, not stand-alone POS materials but need the assistance of employees. The POS materials provide more complex activities and employees will assist and instruct the consumers when using the POS material. The level 3 active shopping POS materials are more or less promo stands, but in the light of the active concept, they will be included as POS material. (figure 7.7)

the Glass Puzzle
Active shopping POS

Level 1
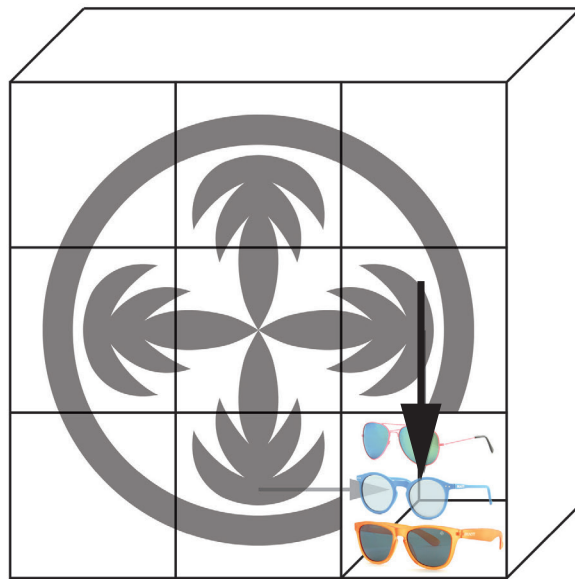
**Puzzle your way
to the right sunglasses**

This level 1 active shopping POS is based on a slide puzzle and consists of 9 compartments. The customer needs to slide the 8 covers (the Brunotti logo) to reveal the sunglasses behind it.
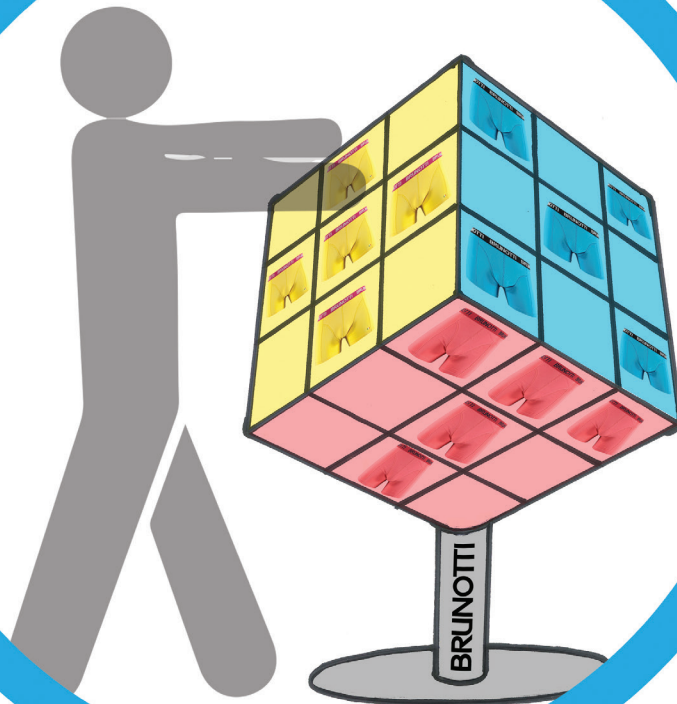
The collection of sunglasses can be presented in a playful way.

figure 7.5 - Example of a level 1 concept

the Boxer Cube
Active shopping POS

Level 2

Match the Boxershorts

The customer is challenged to solve a giant rubik's cube. The boxer shorts of the underwear collection are in boxes inside the cube and serves as POS material and 'shelf space'.
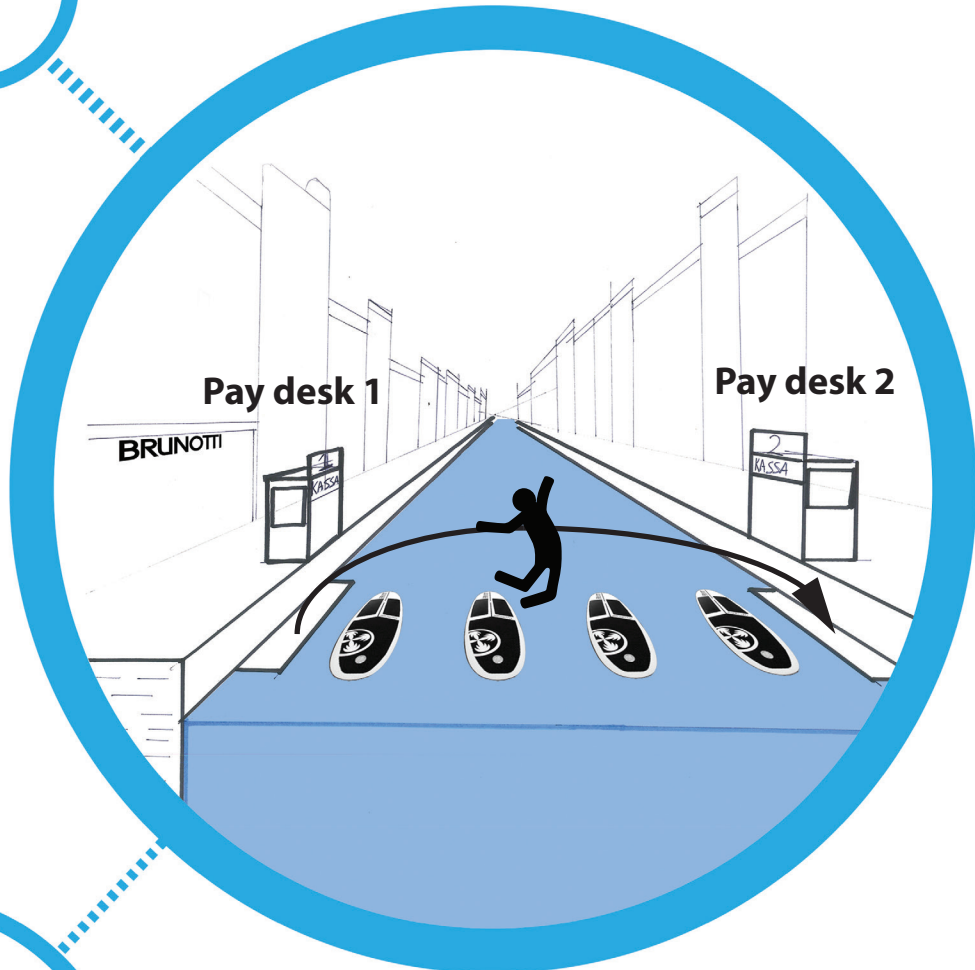
The variety of boxer shorts in colour and prints can be displayed in a distinctive way.

figure 7.6 - Example of a level 2 concept

the Great Crossing

Active shopping POS

Level 3

Pay desk 1

BRUNOTTI

Pay desk 2

Earn your discount or goody by crossing the canal.

At check out the customer can pay at the 'usual' pay desk, or at the paydesk at the other side of the canal (outside) via the Brunotti SUP-boards and earn a discount.

BRUNOTTI

The customer that takes the challenge needs to jump from SUP board to SUP board

figure 7.7 - Example of a level 1 concept

Practical details active shopping POS

Financial & ownership

The investment costs for the active shopping POS material will be very diverse due to the variety in size and complexity of the POS materials. The investments for the level 1 active shopping POS material will range approximately within the current costs for POS material. The level 1 materials are owned by the retailers, like the current POS materials. Every retailer could be provided with the level 1 POS material.

The level 2 active shopping POS materials could bring relatively high investments for retailers compared to standard POS materials and other shelf systems, in some cases far above the current level of investments retailers are able and are willing to pay. To make the level 2 active shopping POS materials financially attractive, Brunotti will invest in these POS materials. The retailers can then lease the active shopping materials and the costs for leasing will be deducted from the marketing budgets that are given to retailer.

The level 3 materials need investments that are even higher, but will not be used by retailers, but by Brunotti itself. Brunotti will cover these investment costs completely. The amount of level 3 POS material will be limited to one or two per season, due to the investments but also because one single POS material will circulate throughout the country.

Geographical Circulation

The element of surprise is key to the concept of the active shopping experience. However the active shopping POS material will only be surprising during the first use. A second time the consumer gets in touch with the POS material, curiosity is not present anymore and the POS material loses its attraction. To counter this expected problem Brunotti could circulate the POS materials between retailers during one season, not every retailer needs to have the same POS material. By circulating the POS material retailers can offer different kind of active shopping POS materials to keep their customers surprised and curious. In addition, active shopping POS material could be season specific, which means that the POS material can only be used half of the year, which demands for more POS materials.

Distribution management

Not all retailers will have the ability or are willing to implement the active shopping POS material in their store. To secure that the amount of active shopping POS material is strategically distributed over Brunotti's total market, Brunotti should keep track of the distribution of their POS material. Brunotti can see how their POS material is distributed also on the 'activity level', This way, Brunotti can control the level of the brands' visibility within the different geographical areas and see if a location is overlooked. Furthermore, the tracking of their POS material give Brunotti a clear overview of the circulation of their level 2 POS materials.

Participation by retailers

Brunotti has agreements with retailers about the use and funding of POS materials in the stores. Agreements with retailers vary and are based on order size and on the relation with the retailer (Straathof, 2013). Large retailers frequently have particular store space reserved for each brand, where brands have the freedom to furnish this area with their POS material. These possibilities are ideal for Brunotti to implement the active shopping POS material, since retailers already have reserved store space for those types of initiatives. Finally, most important the level of participations of the retailer in these active shopping POS materials will depend on the relationship that the retailer has with Brunotti and are different for every retailer.

Long-term strategy

On the long-term Brunotti is facing the challenge to keep the active shopping POS material surprising and attractive for the consumers. When Brunotti succeeds to do so and uses the active shopping concept for the long-term, the concept could ideally become commonly associated with the brand Brunotti by consumers. Consumers will recognise the concept used for the POS materials as belonging to Brunotti. By achieving this, Brunotti can establish a strong differentiation from its competitors and strengthen its competitive advantage.

Limitations

The active shopping POS material has several limitations that should be taken in to account. First there is the risk that the POS material can be experienced as childish, which is not desirable for the brand image that Brunotti wants to establish. In the final design of the active shopping POS material there should be a balance between the elements of 'fun' and also attractive for adults. Second the active shopping POS material could disturb the current shopping environment of the retailer negatively due to the activities. Therefore Brunotti should carefully think of the impact of the particular POS material to not be a burden to the retailer.

7 Marketing Management

7. 4 Packaging design concepts (figure 7.8)

Next to the active shopping POS materials packaging design will be used to translate the brands positioning into physical marketing materials. Like the new POS materials the concept for the new packaging design is primarily focused on standing out, surprising and making the customer smile. The new packaging design will also use references to the boardsports roots of the brand. The elements of humour and surprise will ensure that the packaging, and therefore the brand Brunotti is noticed on the streets, after a customer has bought the products. Furthermore, the packaging could be made functional. The aspect of functionality will give the ability to use the packaging for other purposes than product packaging only. Herewith the packaging, and therefore the brand, will remain better visible for a longer period. With surprising,functional

and humourous packaging design Brunotti can stand out and be noticed on the streets. This could also help to increase the visibility of Brunotti, and herewith contribute to improving the brand awareness and brand image of Brunotti. Brunotti's retailers must implement the packaging, since Brunotti does not have own shops. The inclusion of the Brunotti packing together with the Brunotti products can initially best be implemented at Brunotti's larger retailers, due to their sales amount. Brunotti can start with Retailers like Intersport, which are the larger retailers and retailers where Brunotti holds a good relationship. From here, Brunotti's packaging distribution can grow further. Lastly the packaging concept can also be used for the products sold via Brunotti's web shop, directly from their distribution centre. Here Brunotti could relative easily replace the current packaging.
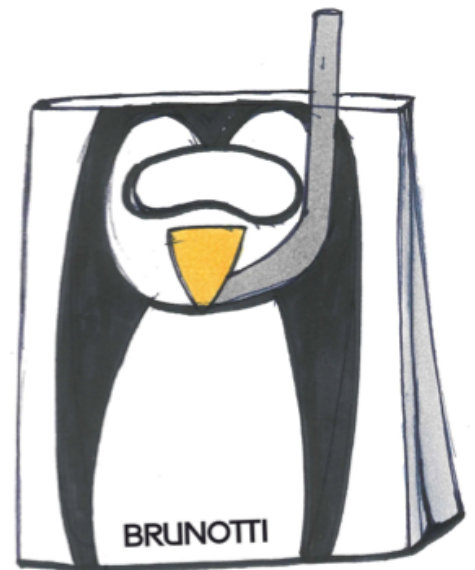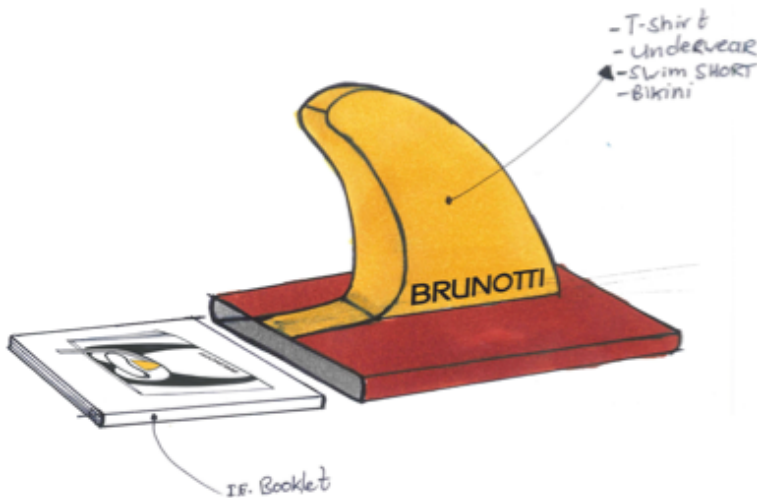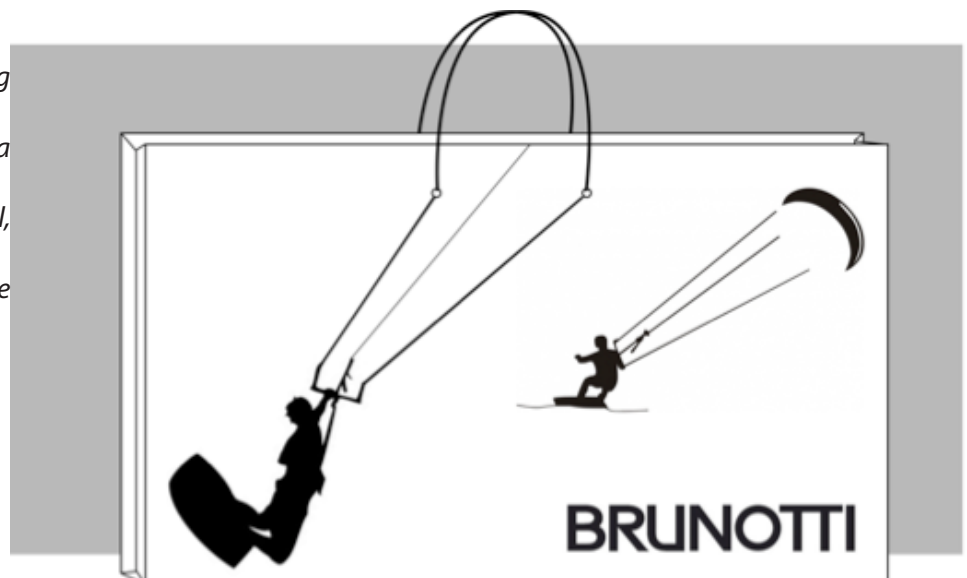

figure 7.8 - Examples for the packaging design concepts.
* packaging shaped like a fin of a kite/surfboard
* bag: penguin with snorkel, combining winter and summer
* bag: the bags' handle the kiteboarders' kite.

7 Marketing Management

7.5 Active shopping Pop-up store concept

Pop-up stores are commonly used by companies nowadays to create extra attention for their brand on the short-term. The concept of a pop-up store could also be a good option for Brunotti, since Brunotti does not have own shops, but more important, the concept of the pop-up store can combine multiple active shopping POS materials. Herewith Brunotti can create store, which is completely dedicated to the active shopping experience, and have the full control on how the consumer should perceive the brand Brunotti. Furthermore Brunotti has the ability to demonstrate the whole collection of Brunotti as one unity in their own Brunotti context. A drawback of the concept of the pop-up store is that the investments for the pop-up store are relative high for Brunotti. However when Brunotti does implement the pop-up store, the store can be used to temporarily boost Brunotti's brand visibility to increase the brand awareness and brand image of Brunotti, which could especially be valuable in order to support the new brand strategy with the new positioning of Brunotti.

Current marketing tools

In the new marketing management the current marketing tools of Brunotti will still be included, namely: the traditional marketing like billboards, sponsorships and social media. These marketing tools are still valuable, because billboards and social media have a broad reach to the general public and sponsorships target a niche market and stay close to the brands' roots. Billboards are for example useful to communicate the signature collection, and social media can for example be used to promote the new POS materials and pop-up store to the general public. Due to the new marketing tools Brunotti should divide its marketing investments strategically over the current available marketing tools, by considering which will support the new marketing tools best. The total marketing management should be a balanced mix to demonstrate the new positioning via the new marketing tools, whilst the traditional marketing and social media are needed to transfer this to the general public.

Marketing as a tool

In this chapter about marketing management the new marketing tools of Brunotti are described in detail. However, marketing of course is a tool on its own to support the success of the brand Brunotti. The design, functionality and the quality of the Brunotti products eventually is what the customer uses and experiences. Without attractive design, functionality and quality, the marketing efforts alone will not be able to strengthen the brands in the best way, especially for a brand that values these aspects highly. The development of attractive design, functionality and quality will be entrusted to the product development department, but of course they also have to work from the brands' new positioning to contribute to strengthening the brands equity and positioning.

Conclusion marketing management

With the concept of active shopping POS materials Brunotti can translate its new positioning statement in to a physical marketing tool to communicate the positioning to its customers. Herewith Brunotti can establish the brand image of a sports and lifestyle brand that is known for its humour and makes their customers smile. Furthermore, Brunotti can differentiate itself from its competitors by taking a different approach to POS material and to stand out at retailers and at events, by which Brunotti will increase its brand awareness and brand image. With the new concept for packaging design Brunotti has another tool to (physically) communicate the brands new positing to increase its brand equity. Eventually the active shopping POS materials and the new packaging design can be collected in one pop-up store to temporarily boost the brands visibility. On financial level this concept of active shopping POS material will require higher investments in POS materials than Brunotti currently reserves. However, the higher investments are part of the overall brand strategy to strengthen Brunotti's differentiation, strengthen its brand image and increase its visibility. The investments for the new packaging design will not be radically higher, due to the absence of the technical needs as with the active shopping POS materials.

This chapter presents the proposal for brand management. The results of the analysis phase indicated that the management of the brand Brunotti was divided over multiple persons with different interests within the company. To support a successful implementation of the new positioning and guide the brands' manifestations for the long-term a proposal for a brand manager is described. Successful implementation and guidance of the brands' manifestation is key to establish a clear differentiation and a strong brand image to improve the brands competitive positioning. (figure 8.1)
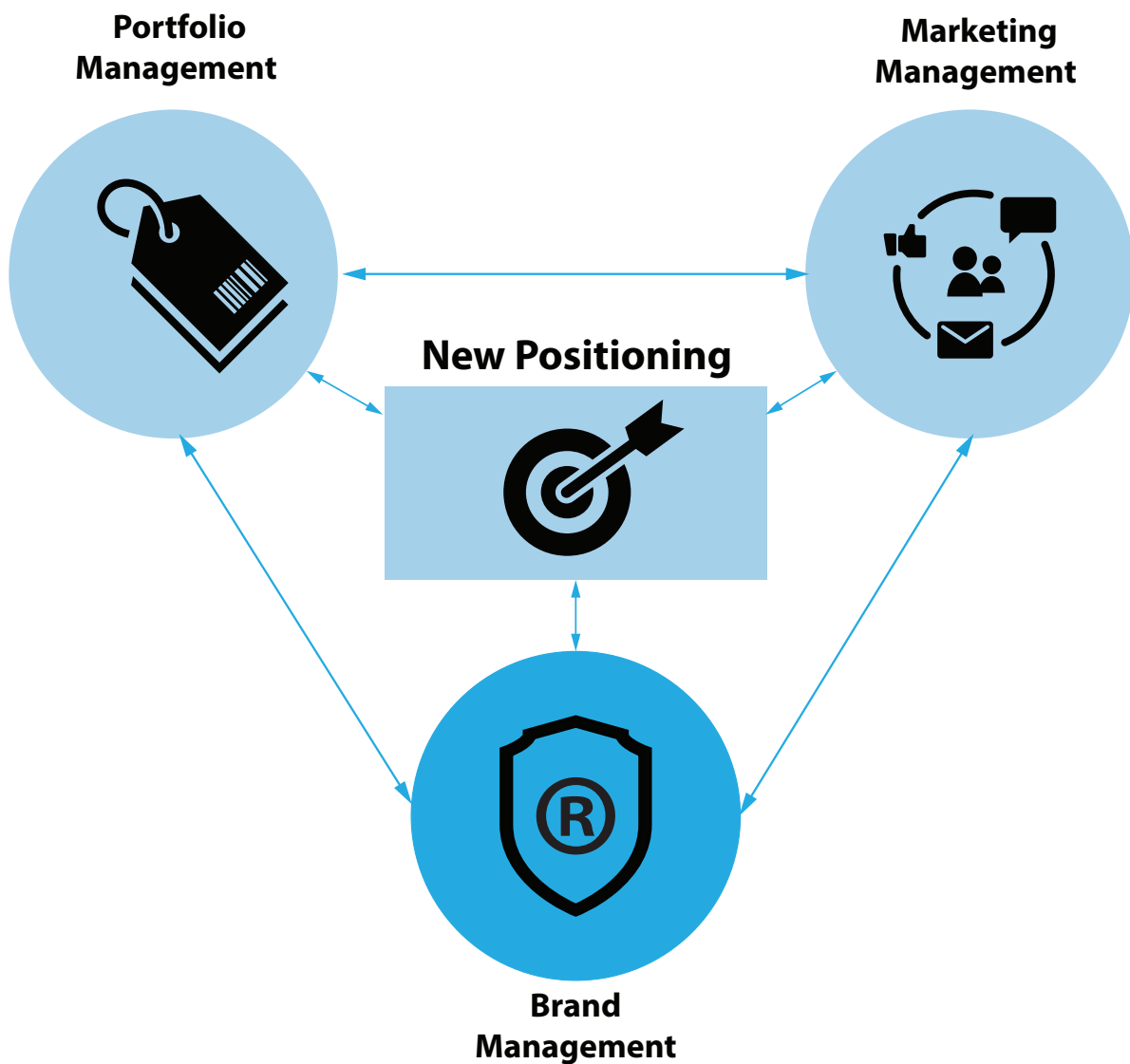
Portfolio Management

Marketing Management

New Positioning

Brand Management

figure 8.1

8.1 Brand management proposal (figure 8.2)

The brand management proposal describes and explains the recommendations for the brand management of the brand Brunotti. As mentioned in the analysis phase, the responsibility of the brand management is divided over multiple persons from different disciplines, because of which the brand is lacking objective brand management. Therefore this proposal recommends that Brunotti should create a brand manager function, executed by one single person. The brand manager will have the primarily goal of controlling the brands manifestations, in order to control the brand image. As mentioned earlier the brand manager is the brands' advocate, and should not have other interests that might interfere with the primarily objectives.

The brand manager will act from the perspective of the brand Brunotti and will decide and act on the basic question; 'Will the brand image of Brunotti benefit from the idea, concept or project that is proposed or already rolled out?'. The brand manager will be entrusted with the responsibility to control all the brands' manifestations, including promotion, events, and retail, and will give advice on the design, composition and pricing of the product portfolio. The design, composition and pricing itself are not the responsibility of the brand manager. However, the design, composition and the pricing of the portfolio do have influence on the perception and the image of the brand.

In order to implement and integrate the function of the brand manager within the company, the current Brunotti brand team will be transformed into an advisory team. The expertise, knowledge and the diversity of the current brand team is and will remain very valuable for the brand management. This brand advisory team will deliver input for the brand manager and will help the brand manager with advice from their experience and visions from their perspective. To create a well-balanced advisory team Brunotti's CEO will no longer be included in this team, in the light of its hierarchical position, and in order to prevent possible power-based decision-making (Kester et al., 2011). On the other hand, sales will be included to also make use of their knowledge from the retailers and market. Basically, the brand advisory team is the company's echo chamber to the brand manager. The members of the brand advisory board have in-depth knowledge about their own field. The brand manager should use this information to obtain the best possible decisions in the interest of the brand Brunotti.

It is important to realize that the aimed growth in turnover cannot only be realized via focus on sales and promotions. The company has achieved growth in sales, however the structure and investments of marketing and brand management have not grown along equally. The structure and investments in marketing and brand management are behind compared to the growth of the company as a whole. To date the absence of a brand manager had not been highly troublesome, however from the current observation it could be concluded that current brand management is inadequate. Considering Brunotti's current company size, the company is likely to be on a turning point regarding its size. Structural brand management is needed to successfully guide all the brand manifestations to contribute to a successful growth of the company. Therefore the brand management function must be created, if Brunotti is eager to meet its growth goals.
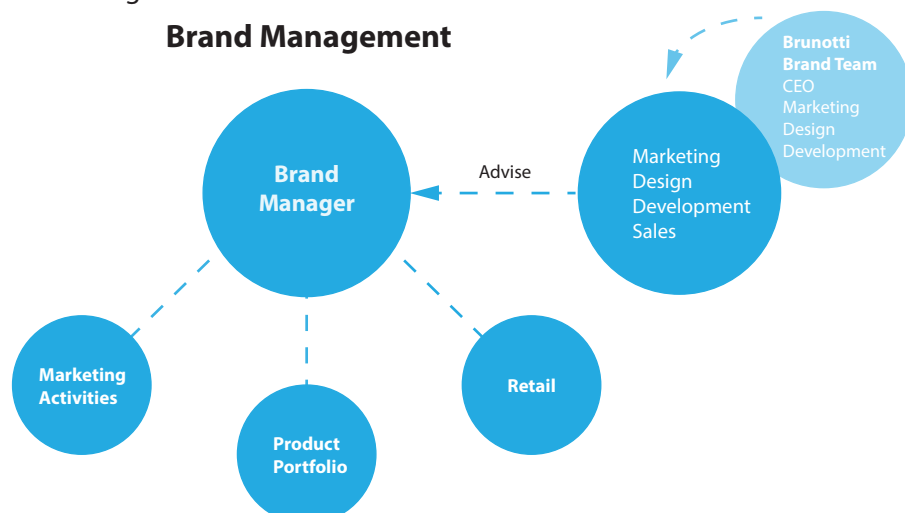

figure 8.2 - Proposal for brand management structure

Financial feasibility

Before Brunotti can implement the new brand strategy, Brunotti needs to calculate the financial feasibility of executing the recommendations and concepts. The new brand strategy consists of four parts: positioning, portfolio management, marketing management and brand management. The amounts of investments needed for each of the four parts are expected to differ considerably, also within those parts. The implementation of the new positioning and the brand management will demand operational investment such as training of the employees in the new positioning and investments in a brand manager, and are expected to be acceptable. For marketing management the investments for the POS material differ considerably. Brunotti could investigate the impact a POS material might have on consumers and weigh this against the investments needed, to determine the expected effectiveness in respect to the investments. The investments on portfolio management are expected to be the highest. These investments also include investments as a result of temporarily losses in sales by the liquidation of collections. Brunotti should calculate the financial risks of the liquidation of the collections and determine a strategy to harvest these businesses and gradually phasing the collections out.

The ideal situation

The implementation plan is based on the concept to start from the new positing with the desired situation as a result: a strong and clear differentiation and strong brand image for the brand Brunotti. Herewith helping to strengthen Brunotti's competitive positioning and hopefully their business success. The implementation plan describes the recommended steps for he marketing management and portfolio management, however they do not have to be implemented synchronously. Nevertheless, the recommended steps should be implemented in the described order for the optimal success of the new brand strategy.

Figure 9.1 (next page) shows the roadmap for the implementation of the brand strategy. The roadmap starts with the introduction of the new positioning and ends with the ideal situation where the brand

has reached a strong differentiation and brand image. The roadmap describes the ideal implementation via marketing management, portfolio management and brand management.

Explenation roadmap:

Portfolio management
1. Brunotti should start with the liquidation of the fashion collection. The collection has the least financial impact, and is least fitting the new positioning. The available resources can be used for activities that support the brands' new positioning.
2. The liquidation of the footwear collection will have a higher financial impact. However it will make little resources available, since the collection is produced under licence.
3. After Brunotti's total product portfolio has been downsized to a portfolio that is in line with the brands' new positioning and strengths there is room to introduce the new signature collection. The portfolio should be downsized before adding the signature collection because it is important to first focus on remaining collections before adding a new collection again.

Marketing management
1. For the introduction of the new active shopping POS materials, the level 3 POS materials are very suitable. The introduction of the first POS materials should be accompanied with much media attention. The level 3 POS materials have the size to be used as promotional stands and herewith be attractive for the media. The introduction of the POS material can be done at an event or by creating an event around the introduction. At the same time the new packaging design can be introduced.
2. The next step is to show the level 3 active shopping POS material on a structural basis, via a tour of multiple level 3 POS materials throughout the country. The new packaging will be distributed at the level 3 POS materials.
3. Once the active shopping concept has become known the level 1 and 2 active shopping POS material can be distributed to the retailers. Retailers

have the possibility to already see the concept of active shopping in practise, before implementing it in their store. The new packaging can also be distributed at retailers. Simultaneously the new signature collection can be distributed at retailers that also implement the active POS materials. The POS material, new packaging and the signature collection together increase the brands' visibility in the stores and support the improvements of the brand image and the brands' differentiation.

4. Finally, with the implementation of the pop-up store Brunotti can boost the brands' visibility. The implementation of the pop-up store should be supported with the other marketing tools Brunotti has available to create the maximal amount of media attention for the pop-up store and with that a boost for the visibility of the brand.

Brand Management
The brand management is an ongoing aspect of this implementation plan. It starts with the assignment of a brand manager with the responsibilities of being the brands' advocate. During the implementation brand management will control and manage all the brands' manifestations in the best interests for the brand Brunotti.

Beyond the implementation plan
When Brunotti has established a strong differentiation, a strong brand image, and has increased its visibility, Brunotti should be prepared to sustain this and of course be able to further expand it. In the further development of the brand Brunotti all projects from product development to marketing activities should be conducted according to the new positioning. The brand Brunotti will be guided by its core values and should live up to it's positioning and brand values. Herewith Brunotti is able to realize the revitalization of the Feelin' good factor and go beyond.
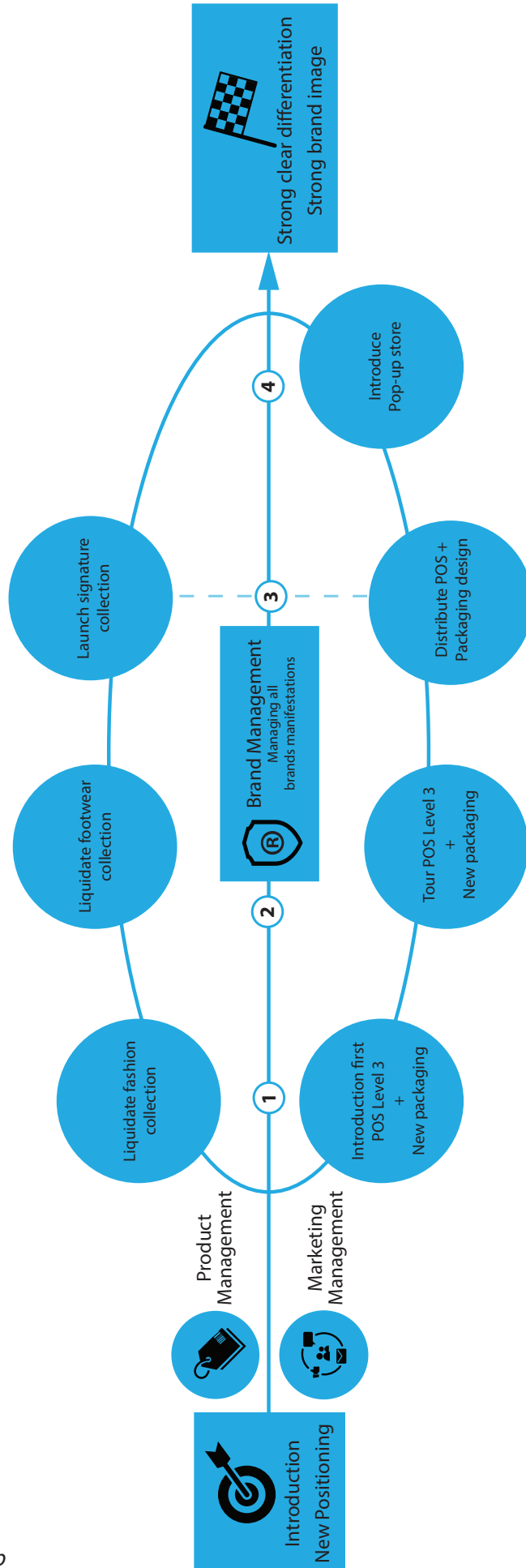
figure 9.1 -
Implementation roadmap

Strong clear differentiation
Strong brand image

Introduce
Pop-up store

Launch signature
collection

Distribute POS +
Packaging design

Brand Management
Managing all
brands manifestations

Liquidate footwear
collection

Tour POS Level 3
+
New packaging

Liquidate fashion
collection

Introduction first
POS Level 3
+
New packaging

Product
Management

Marketing
Management

Introduction
New Positioning

10 Limitations

The scope of redesigning a complete brand strategy with taking every element into account in detail is simply too extensive for a graduation project, therefore the outcome of this project will have its limitations. First it was not possible to take all available information into consideration. The recommendations and the concepts need to be further elaborated, like the implementation and the financial feasibility of the new POS materials at retailers and the financial feasibility of the liquidation of the proposed collections.

Another limitation is the number of interviewed consumers. Quantitative research can be used to test the reliability and validity of the qualitative insights (Silverman, 2005). Next to the sample size used in this research, the variation of consumers was limited. This research did for example not take the income level of participants into account. Extended qualitative research with more variation in consumers could bring insights that add value to the new brand strategy.

Lastly this project was focused on the Dutch market. The implementation of the brand strategy internationally will require further elaboration of these markets.

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