Building Brand Equity at Husqvarna Motorcycles

Internationella Handelshögskolan

Bachelor Thesis in Business Administration

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Acknowledgement

Through this research and writing we have acquired four months of an in depth study in the primary subject area of brand management. Having the opportunity to visit the firm in Italy was an amazing experience inside the operations of one of the World’s greatest motorcycle companies, Husqvarna.

Through the various interviews and interactions with this culture of historians and motorcycle enthusiasts we have gained a broad knowledge of this industry. During our research and writing we have faced the many challenges and opportunities of working together as a group, which in turn has brought us together in a closer way and has given us a deeper understanding of the secrets to success in group dynamics.

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____________________   _____________________
Yulia Storozheva    Stephen Young
Abstract

Purpose The purpose of the thesis is to analyze the current challenges faced by Husqvarna Motorcycles in their brand building process, and to describe ways in which applying the brand equity principles will enable an increase of the value of their brand.

Background In the complex world of organizations and companies where the competitive position plays an important role in successful achievements of the company, managers seek after building a sustainable competitive advantage. Building brand equity is an important focus for a large company’s improvement, since it raises interest of existing and new customers. The process of building brand equity takes time but through this process a company will have a stronger market position which creates brand value.

Method In order to answer the purpose, the qualitative method with implementation of semi-structured interviews for collecting data was used. The data was interpreted and then structured and analyzed using theoretical framework.

Conclusions During the research performed it was found out that the managers are facing several challenges in respect to building brand equity. Therefore, five components of building brand equity were implemented to draw the conclusions of how the managers could strengthen their brand.
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1 Introduction

In this chapter the reader will be introduced with the background of the research area as well as company overview. Problem area followed by purpose, research questions and delimitations would be presented further. Also the main definitions would be given in order to clarify the whole picture.

1.1 Background

In the complex world of organizations and companies where the competitive position plays an important role in successful achievements of the company, managers seek after building a sustainable competitive advantage. Building brand equity is an important focus for a large company’ improvement, since it raises interest of existing and new customers. The notion of brand management is very broad and honing in on the concept of building brand equity is gaining recognition by managers and practitioners alike. The authors chose the definition of the American Marketing Association in order to illustrate the main idea of the brand:

“A brand is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition. Technically speaking, then whenever a marketer creates a name, logo or symbol for a new product, he or she has created a brand” (Aperia, Georgson, & Keller 2008 p. 2)

A brand exists in the customers’ minds through strong associations, image, feelings and experience. For companies worldwide to be successful it is crucial element to build a strong brand strategy; which will include every aspect in, how to create brand loyalty and sustain that loyalty through a customer’s response. The process of building brand equity takes time but through this process a company will have a stronger market position which creates brand value.

The company that we chose for our thesis is Husqvarna Motorcycles.

1.2 Husqvarna Motorcycles – company overview

"Husqvarna is a brand with Swedish origins characterized by a long history. The brand's models, divided into Enduro, Motocross, Supermotard and Dual categories, are all pro-
duced in Italy at Cassinetta di Biandronno plant, in Varese province” (http://husqvarna-motorcycles.com). During last two years Husqvarna was acquired by the BMW group that has funneled a rich source of financing and capabilities to increase the value of the brand position and offers future opportunities in platform sharing with one of the most well known brands in the world. As the brand identity process in currently engaged by both management groups the aspirations and hopes are to bring the Husqvarna brand into a stronger market positioning.

According to Roland Arrehn (personal communication, April 28, 2009), in order to provide a reader with a proper understanding of the current brand position of the firm a brief description of Husqvarna company’s history is needed.

The history of this brand began in 1689 when the King of Sweden needed to create a factory that would design and build guns for the Swedish Military. This foundational innovation launched the development of the Husqvarna Company, where kitchen equipment, sewing machines, garden machinery and bicycles were engineered. A direct result of these innovations brought forth the production of Motorcycles to manufacturing of motorcycles which began in 1903. The motorcycles were primarily used for transportation, but in 1932 the company began to build larger and stronger motorcycles and Swedes began to race and compete throughout the country. 1932 was a foundational year for this company as the Swedish motorcycle racer Ragge Sunnqvist competed and won the Saxtorp Grand Prix racing competition. In 1933 Gunnar Kalen and Ragnar Sunnqvist competed in the European Grand Prix motorcycle competition and after winning the races they were recognized by 55 different countries and 150,000 spectators. Husqvarna marketing division was then created and thrived throughout the various racing campaigns showing one of the world’s best motorcycles. In 1970 the world came into acquaintance with this firm based on the actor Steve McQueen. Steve McQueen honored the company by acting in a film entitled “On Any Sunday”; in this film Mr. McQueen traveled and raced with a Husqvarna Motorcycle which firmly brought this brand into the world’s eye and famous recognition.

The brand continued to thrive and grow around the world and in 1977 there was an acquisition by the company Electrolux. According to Arioli (personal communication, February, 23, 2009), Electrolux acquisition was a critical period in accordance to the brand identity as the company did not invest into the division of Husqvarna Motorcycles nor create any relevant dynamics in the marketing or relevant changes in the production of the motorcycles.
Starting from year 1986 Husqvarna Motorcycles were acquired by Italian company Cagiva AG. According to Mr. Arioli (personal communication, February, 25, 2009), during this time the company was very poorly managed. The owner attempted to manage 3 different motorcycle brands simultaneously, including two Italian motorcycle brands and Husqvarna. On most occasions the company was managed in a very strict hierarchical manner where the owner of the company made all of the decisions and the various managers of departments had to follow his rule whether it was a good or poor decision. Additionally, the owner went into negative financial results which led to a loss of capital and equity of the company and allowed for the invoices of the suppliers of the motorcycle parts to remain unpaid. A direct result of these unpaid bills allowed for a critical disturbance in the credibility of the company where customers were lost and trust was comprised. As a collective result the brand image had diminished and because of continuous poor finances the company faced bankruptcy and then sold the company to BMW.

1.3 Problem Discussion

Being acquired by BMW, the managers of Husqvarna Motorcycles are facing difficulties concerning building brand strategy. The company has long Swedish history; it is situated in Italy and now is owned by German company. The managers suppose that the customers do not have clear knowledge concerning their brand as well as the values have been lost during the period of last owners.

BMW set up a group of marketers in order to make the repositioning of Husqvarna Motorcycles brand. First steps of redefining brand identity have been already conducted. However, the marketers demand for an academic view on the actions that have been taken as well as on overall picture of building a strong brand.

1.4 Purpose

The purpose of the thesis is to analyze the current challenges faced by Husqvarna Motorcycles in their brand building process, and to describe ways in which applying the brand equity principles will enable an increase of the value of their brand.
1.5 Research Questions

Throughout this initial stage of engagement in our research the authors came up with two research questions that we endeavor to explore.

- What are the opportunities and challenges faced by Husqvarna marketing team during their repositioning of their brand?

- How can the equity of Husqvarna Motorcycles brand be increased in its value?

1.6 Delimitations

During this research study the authors will draw an analysis and discuss the process of ways in building brand equity and establishing a stronger brand from a theoretical viewpoint. The analysis was derived based upon the current structure and activities of the brand managers of Husqvarna; which does not imply a complete customer’s perspective, since the consumer research strategy is still in the planning stage. As there is a current lack of knowledge of the brand managers concerning the history and customers behavior an academic view has been requested by the firm in order to bring insight into the current theories of brand equity that will assist in their marketing research and building brand strategy. In reference to the time duration of the interviews at the firm; extra time was spent with the participants for clarification of the words spoken because of a language barrier. The same topics were discussed from Appendix 1; but is not part of the formal interview time.

1.7 Definitions

**Brand Awareness:** “is the customer’s ability to recall and recognize the brand”. It also includes “linking the brand – brand name, logo, symbol, and so forth - to certain associations in memory” (Keller, 2001, p. 8).

**Brand Equity:** “Customer-based brand equity is defined as differential effect of brand knowledge on consumer response to the marketing of the brand. It involves consumers’ reactions to an element of the marketing mix for the brand in comparison with their reactions to the same marketing mix element attributed to a fictitiously named or unnamed version of the product or service. Customer-based brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory.” (Keller, 1993, p. 2)
**Brand Identity:** “is a unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organization members” (Aaker, 1996, p. 68).

**Brand Knowledge:** is “all descriptive and evaluative brand-related information in consumer memory” (Keller, 2003, p.2)

**Brand Meaning:** “is establishing a brand image – what the brand is characterized by and should stand for in the minds of customers” (Keller, 2001, 9).

**Brand Loyalty:** is defined as brand’s purchase frequency (Brody & Cunningham, 1968) and purchase possibility (Farley, 1964), ( cited in Yi & Joen, 2003). Moreover, the highest affirmation of brand loyalty is “when customers are willing to invest time, energy, money, or other resources into the brand beyond those expended during purchase or consumption of the brand” (Hoeffler & Keller, 2002, p. 4).
2 Methodology

In this chapter the authors will describe the methodology and present the method used to conduct the writing of our thesis and fulfill the purpose. It also describes the course of action that the authors have taken to collect the information needed for the research. The first part of this section explains the different research approaches and the chosen one for this thesis is further discussed. The followings sections describe the type of research study used, and the process and method of data collection is presented.

2.1 Choice of Research Method

For the current research in order to answer the purpose and research questions the authors decided to choose a qualitative method approach conducting semi-structured interviews with employees of Husqvarna Motorcycles in Italy.

2.1.1 Deductive or inductive approach

There are two different approaches to be used when conducting the research – inductive and deductive.

The deductive approach, according to Bryman and Bell (2007, p.11), represents the most common view in the nature of the relationship between theory and research. On the basis of what is known about a particular theoretical consideration in relation to the research field, research questions or hypotheses that are built to further lead a researcher to a given empirical investigation.

The inductive approach is a theory building process, which starts with observations of specific instances, and seeks to establish an abstract view about the phenomenon being investigated (Hyde, 2000, p.2). According to Maylor and Blackmon (2005) the inductive approach is widely used when an area of research is investigated without utilizing a particular theory to guide the process. Moreover, the authors state that this approach is used when
the data collection in a given research area is believed to be biased by a conceptual framework or high-level theory that may be too abstract or broad for a reader to use practically.

For the application in building brand equity for Husqvarna Motorcycle company; the research approach that the authors have chosen is the deductive approach. As previously mentioned first the framework of theories is presented which will help the authors to answer the second research question, followed by the analysis and conclusions utilizing both the theory and empirical findings.

2.1.2 Qualitative and quantitative research methods

Many authors of methodological literature argue that it is important to distinguish between the two different research methods; which are the qualitative and quantitative method. In general, quantitative research method refers to the collection of numerical data under cause-effect relationship. According to Curwin and Slater (2002), the quantitative research method is used to define, describe and resolve a wide range of problems using numerical information. But the numbers will make sense only in specific context providing necessary summary. Under this research method measurement is seen as important and “factors that cannot be easily measured, such as attitudes and perception, are difficult to include into analysis” (Curwin & Slater, 2002, p.7).

Qualitative research “is depicted as being about words as the unit of analysis rather than numbers” (Daymon & Holloway, 2002) and has a number of characteristics which are discussed by Daymon and Holloway (2002, p.5-6) that are listed below:

- Words: Qualitative research focuses on words rather than numbers;
- Researcher involvement: The main instrument of qualitative research is that a researcher closely engages himself with the people being studied. This helps to investigate not only facts but also the attitude, perception of research problem and emotional aspect of respondent;
- Participant viewpoint: Qualitative research is also associated with desire to explore and present various subjective perspectives of participants;
• Processual: Qualitative research rarely provides static picture of the problem. It aims to track the process that take place over time. This is the case of our research as the authors aim to investigate the changes that took place over years.

Despite the strengths qualitative research has several limitations which are identified by Bryman (2001: 282-3). Qualitative research is too subjective, difficult to replicate, generalize and interpret clearly into conclusions (cited in Daymon & Holloway, 2002, p.7)

The qualitative approach has been chosen by the authors because according to Brewerton and Millward (2001) the chosen research method should include the following categories which include:

• Appropriate to research objective;
• Able to elicit a form of data appropriate to testing to addressing research questions;
• Feasible given time, resource and organizational constraints and requirements
• Used appropriately, in the context of its original formulation and development.

The qualitative research approach is based on the purpose of this research as the authors needed to find out the insight view on building strong brand strategy of Husqvarna Motorcycles. Moreover, the qualitative research is feasible in the context of organizational structure of the company. In order to collect data needed the authors had to combine and have personal communication with employees from different departments of Husqvarna Motorcycles.

While conducting a research the research method may be chosen as a mono-method, multi-method or mixed-method (Saunders et al., 2007). The choice depends upon what type of data is needed in the research analysis. As the mixture of quantitative and qualitative data in not required for the research, the authors of this thesis used a mono-method. Thus, the data was collected only through semi-structured interviews.

2.1.3 The Purpose of the Research

As the purpose of our research is to discuss how Husqvarna Motorcycles can leverage their Brand History to build a stronger brand; which is, also connected to the semi-structured
and structured interviews in a qualitative research approach, we can use the findings of the interviews collected as the basis for an analysis under the given theoretical framework. With this approach we can enable ourselves to draw conclusions which might be helpful for Husqvarna Motorcycles. Our intention is not to make any generalizations but to provide the chosen company with an academic perspective in the challenges that they are currently facing within the process of building equity for the brand.

2.1.4 Research Design, Case study

Based upon the research problem and type of data collection the authors decided to use a case study approach which will be used in documenting the brand building concepts for Husqvarna Motorcycles. According to Daymon and Holloway (2002, p.106), a case study inquiry is usually associated with an “inspective investigation of a location, an organization or a campaign”. The purpose of the authors in choosing a case study approach was to increase knowledge about real events that took place between Husqvarna Motorcycles and their customers. During this case study the authors will be able to answer, such questions as, what is the status of the brand, how has it been affected and why is the change needed?

According to Yin (1994) a case study can explain, describe, illustrate or evaluate the social phenomenon a researcher is interested in. One can use a case study approach to test theories as well as to build unique theories based on the topics (cited in Maylor & Blackmon, 2005, p.244). The authors will therefore test the established theory, utilizing a case study approach.

According to Maylor and Blackmon (2005) there are different types of case study approaches that might be useful during research. They describe the various aspects of a single case study, a multiple case study and an embedded case study. A single case study focuses on a single unit of analysis, something that is unique. An embedded case study involves the study of different divisions inside one organization. Finally, a multiple case study approach is useful for the determination of common features across cases and pointing out the uniqueness of a researched case study.

The authors decided that an embedded case study approach is the most appropriate for this research as the problem of Husqvarna Motorcycles will be analyzed and discussed on the
basis of interviews conducted with managers from different departments. This would be
done in order to capture a more complete image of the brand process of Husqvarna Mo-
torcycles.

However, there are several limitations that may be caused by choosing this type of research
design. According to Daymon and Holloway (2002), the first limitation is the difficulty to
define boundaries of this particular case which causes the difficulty in deciding what ap-
propriate sources and aspects of data should be used. The other limitation may be revealed
during collecting necessary data as usually companies are unwilling to allow the researches
to examine information that may be confidential. The last but not the least problem that
may occur is that case studies are accused of being too descriptive. Daymon and Holloway
(2002) argue that being descriptive is the nature of case study and researchers should en-
sure the reader that their study is explicit about necessary connections.

2.2 Data Collection

In order to find answers to our research questions and collect appropriate data the authors
chose a qualitative research method. Although there are many tools and techniques to col-
llect and analyze data our team decided to discuss the indirect data collection method, to
utilize the Interview processes. The authors imply that the aim of this research will be
achieved only with the help of these two processes. An overview of this chosen process of
collecting data is presented below with the help of a figure.
2.2.1 Interview/Discussion

Interviews can vary according to the data required for research. There are three main types of interviews: structured, semi-structured and unstructured interviews.

According to Brewerton and Millward (2001, p.69) structured interviews “include a fixed set of questions which require the interviewee to respond by selection of one or more options”. This type of interview is mainly used under quantitative research as the answers can be easily interpreted into numerical data and then assessed based on ratios and percentages.

“Semi-structured interviews incorporate elements of both quantifiable, which are described as a fixed-choice responding given a facility to explore, and to probe the interviewee in hopes of obtaining more in depth results” (Brewerton & Millward 2001, p.70). This type of interview is more practical to analyze, quantify and compare. On the one hand it gives the interviewee the chance to explain their answers. On the other hand the interviewer can lose control of the interviewing process or it would take too much time to paraphrase the answers.

During unstructured interviews the interviewee is directed only to the general research area for discussion. Open questions are asked during such interviews which “seek for further clarity and meaning” (Maylor & Blackmon, 2005, p.229). The process of taking unstructured interviews looks more like a discussion given a specific topic between interviewee and the researcher.

The most important data for answering the first research question was collected through semi-structured face-to-face interviews as this type of interviews helps the researchers to collect in depth data without the need of being fixed to one topic and does not take much time to interpret and analyze. The authors interacted in weeklong sessions and meetings at the business headquarters of Husqvarna Motorcycles in Varese, Italy during one week visit.
These interviews helped the team to collect information from the inside of the company about their brand building process and its historical development. During this session all answers were recorded on video, audio and note-taking in order be as accurate as possible in the interpretation and documentation of the needed information.

2.2.1  Interview Structure

During the week spent in Varese six semi-structured interviews were taken. The name and position of interviewee, the date, duration and language in which the interview was conducted is stated below in table: however, please refer to Delimitations section for clarification.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Position</th>
<th>Date</th>
<th>Duration</th>
<th>Language</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mrs Radin</td>
<td>Marketing</td>
<td>26.02.09</td>
<td>1h20min</td>
<td>English/Italian</td>
</tr>
<tr>
<td>Mr Arioli</td>
<td>Technical Assistant to CEO</td>
<td>23.02.09</td>
<td>2h30 min</td>
<td>English</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25.02.09</td>
<td>1h 10 min</td>
<td></td>
</tr>
<tr>
<td>Massimiliano</td>
<td>Director of Marketing</td>
<td>26.02.09</td>
<td>1h</td>
<td>English</td>
</tr>
<tr>
<td>Mucchietto</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Martino Bianchi</td>
<td>Communication And Racing Activities Manager</td>
<td>25.02.09</td>
<td>1h10min</td>
<td>English/Italian</td>
</tr>
<tr>
<td>Mrs Artoni</td>
<td>Press Office And Racing Dept.</td>
<td>25.02.09</td>
<td>1h10min</td>
<td>English</td>
</tr>
</tbody>
</table>

Figure 2  Schedule of semi-structured interviews within Husqvarna Motorcycles headquarters in Varese, Italy

All questions for the above interviews were written before the interview as all interviewees were from different departments, and after a deeper knowledge of the company, challenges
were discovered. The data gathered was further reduced to the specific aspects pertaining to our research. A list of the various questions is presented in the Appendix 1 section.

2.2.2 Indirect data collection

According to Maylor and Blackmon (2005) the indirect data collection method is mainly used when the researcher needs to study the historical phenomenon. The team collected indirect information through newspapers, magazines, DVD’s and brochures which were presented to the team by Husqvarna Motorcycles managers. This part of the data collection process is important for this research as it helps the researchers to get the deeper understanding of roots and meaning of occurred challenges at Husqvarna Motorcycles.

2.3 Data Analysis

According to Daymon and Holloway (2002) data analysis is the process of bringing structure, order and meaning to the mass of unstructured data. Qualitative analysis is complex and time consuming as it requires search for answers in all data collected, active observation and accurate recall.

Daymon and Holloway (2002) state that qualitative analysis is concerned with two main factors: data reduction and interpretation. Data reduction refers to putting the data into categorized pieces choosing the most appropriate. The interpretation means bringing meaning to interviewee’s words and acts so that it corresponds to research area and chosen theory. Although reduction and interpretation are common types of data analysis, there are no standard rules to conduct the process of analyzing the data. As Turner (1994) claims such openness and flexibility lie in the heart of qualitative analysis, suggesting that it is inappropriate to aim for homogeneous, classifiable types of qualitative analysis (cited in Daymon & Holloway, 2002, p. 232)

According to Patton (1990) “qualitative analysis needs to be meaningful, useful and credible” (cited in Daymon & Holloway, 2002, p.240). The authors of this research went through recorded interviews and notes, categorized all information with respect to structure of theoretical framework. That was done to make the interpretation of data understandable for the reader and clearly presented.
2.4 Quality of Data

Starting up with writing a research study everyone should think about the quality of the work because this is the basis of research done (Daymon & Holloway, 2002). According to Saunders et al (2007) it is incredibly hard to evaluate the credibility of research findings as no one can know whether these results are right or wrong. Though, reliability and validity should be taken into consideration in order to decrease the possibility of wrong data reduction and misinterpreting.

2.4.1 Reliability

According to Daymon and Holloway (2002) in quantitative research reliability refers to reproduction of the same results or answers while using the same research instruments. However, it is inappropriate to use the same notion of reliability for qualitative research as for quantitative as the main research instrument there is researcher itself and his perception of the research area. Moreover, if a researcher used a short period of participant observation, it would be unlikely that over some time when there are situational and dynamics change, someone will go and achieve the same results (Maylor & Blackmon, 2005). However, the main points and results achieved should be robust, showing that a researcher invested time, knowledge and creativity in order to conduct a research study.

2.4.2 Validity

Validity in qualitative research has to do with “whether the methods, approaches and techniques actually relate to the issues one wishes to explore” (Daymon & Holloway, 2002, p.90). The concept of validity consists of several aspects: internal validity and generalizability or external validity.

“The internal validity refers to the extent to which the research results are reflecting the aim of research and social reality of those participating in it” (Daymon & Holloway, 2002, p.90). For this purpose the researchers should be able to demonstrate how they got from data to conclusions documenting and explaining each step. Thus, the authors of this research structured empirical findings and analysis in accordance with theoretical framework so that the reader could follow the way of presenting the data and analysis.
The generalizability, or external validity, is usually considered when the particular findings and conclusions could be applied to other populations or cases. However, according to Daymon and Holloway (2002) the notion of generalizability is to be irrelevant if a single case study is conducted. As the authors of this research are studying only one case, the brand strategy of Husqvarna Motorcycles, and only from company’s point of view, the purpose of the research is not to make any generalizations. The goal of our work is to discuss and apply theories for this particular case.

3 Theoretical Framework

The third chapter of our thesis represents the theories used to structure the empirical findings and analysis. First, two different models of Kevin Lane Keller and Jean Noel Kapferer would be presented. Then the important for our research aspects of both theories would be combined and deeply discussed.

3.1 Building a strong brand

Building a strong brand leads to numerous benefits and rewards for company, such as financial success and strong position on the market. It is crucial for a company to think of brand building process as the central strategy.

There are a lot of authors who devoted their time to constructing frameworks and blueprints for building a strong brand. The authors of this research have chosen two of these authors for further discussion of this topic; they are Kevin Lane Keller and Jean Noel Kapferer. Both their models are constructed in terms of blocks and facets which are important for building a strong brand.

Keller (2001) describes through his article “Building customer-based brand equity: a blueprint for creating strong brands” the fundamental components that are required in assisting companies to have an outlook on “Building Stronger Brands”. Brand equity involves what value the brand has in customers’ perception. Within this approach there are four primary steps which are stated as Establishing Brand Identity, Creating Brand Meaning, Eliciting Positive Brand Responses, and Forging Brand Relationships. This model is used as an in-
strument for a marketing practitioner that if used properly may lead to a greater customer loyalty, more favorable customer interactions and an increased marketing communication.

Figure 3: Customer-based brand equity pyramid. Source: Keller (2001, p. 7)

According to Kim and Kim (2004) this model has been a useful method of performing research as these authors from Cornell University have used this model to measure consumer based brand equity. During a quantitative study the authors tested the relationships between customers and firms. Four of the elements that were tested based on the brand equity model included; brand awareness, brand image, brand loyalty, and perceived quality. During the results stage of the test it was discovered that; on one hand, brand awareness had the most significant effect on revenues, while on the other hand it displayed the smallest effect on brand equity. This shows that an increased awareness of a brand will result in positive financial outcomes for the company. Moreover, brand loyalty, image and product quality displayed the most vital elements to this subject group of customers in the process of building stronger brand.

The other model “Brand identity prism” is introduced by Jean Noel Kapferer. The author (2004) pursues the question of why brand strategy and management are so important in his published literature entitled “The New Strategic Brand Management”. He discusses how connections with brands are in every part of our society and penetrate all spheres of life, including, economic, social, and cultural, sports and even religion. According to Kapferer (2004) two of the ways that most practitioners try to discover this answer takes place in either a customer based focus, and in attempting to measure production and consumption. The relationship between the activities of customers and the profiling of the company brand are what creates this relationship and allows it to grow.
According to Kapferer (2004), in order for a brand to stay strong it must be true to its identity and to avail the brands innermost substance. The six facets of brand identity are stated by Kapferer as brand physique, personality, culture, relationship, reflection and image. One part of this multi layer construct of brand building is intricately connected to all the other parts and leaving out any part of the framework would not allow the practitioner to have full utilization. The framework of Kapferer is displayed in a hexagonal prism model that will be presented in the following figure and is divided into the two categories of Externalization and Internalization with three topics in each group.

![Six facets of brand identity prism; Source: Kapferer (1997, p. 100)](image)

*On the left side of the model the figure presents the externalities which include; physique, relationship and reflection. On the right side of the model the internal aspects of; personality, culture and self image are portrayed.*

These two models complement each other. The framework of Kapferer describes the importance of physical and personal characteristics of the brand, thus, offering a deeper understanding in the relationship and minds of customers. Therefore, the authors combined and constructed five facets of building a strong brand on the basis of models of Keller and Kapferer. They are Brand Identity and Physique, Brand Meaning and Leveraging the
Brand, Brand Responses and Reflections, Brand Relationship, and Brand Culture and Personality. Each of these facets would be described and discussed below.

3.2 The Five Components of Increasing Brand Equity:

3.2.1 Brand Identity and Physique:

According to Aaker and Joachimsthaler (2000) in order to be effective, a brand identity needs to resonate with customers, differentiate the brand from competitors, and represent what the organization can and will do over time (cited in Ghodeswar, 2008).

Keller associates the identity of the brand with brand awareness. He further coins a term entitled “Brand Salience” which states “Brand awareness also involves linking the brand-brand name, logo, symbol, to certain associations in memory” (Keller, 2001, p.8).

Furthermore, brand awareness means constructing customers’ understanding of which of their needs the product satisfies. According to Keller (2001), brand awareness can be distinguished in two aspects - depth and breadth which means how easily customers can recall the brand in their minds and in what consumption situations the brand comes to customers’ minds. Both these dimensions are important for customers to become brand salient as not only the brand should be easily recognized but also this should be done at right time and place.

In addition to that Kapferer (2004) states that brand identity correlates to the brands physique. As all brands have specific physical characteristics that set them apart from other brands, it is these characteristics that help to form a brands identity and make them unique. The physique of the brand is a tangible value adding aspect that has the potential to attract new and existing customers.

According to Hoeffler and Keller (2002) brand identity and awareness which are measured by recall and recognition of brand are considered to be an important first step in building strong brand equity. During the case study of BMW “The Drive for the Cure” (Pringle & Thompson 1999) the authors described the impact of corporate societal marketing programs on brand identity and awareness. Through this customer service management program; BMW targeted women which increased their brand awareness and as an outcome
sales. Thus, Hoeffler and Keller (2002) help to show the importance and utilization in the understanding of brand awareness and identity for each company.

3.2.2 Brand Meaning and leveraging the brand:

3.2.2.1 Brand Meaning

According to Keller (2001), creating Brand Meaning involves establishing strong associations in the mind of customers which can be formed in two different ways – either from personal customers’ experience with the defined brand or from advertisement and other sources of information. Later the author stresses that the product could be associated with “aesthetic considerations such as its size, shape, color and materials” (Keller, 2001, p. 11). The performance of brand can depend upon these sensory aspects in relation to the way the product is to be use.

According to Kapferer (2004), a brand communicates to the self image of the consumer. The author explains how self image is the target group’s internal mirror and through their mirror, attitudes and beliefs toward the brand empowers a consumer’s elevation in their self image.

Furthermore, Keller points out that the brand meaning is directly associated with brand history, heritage and experiences; as Keller states “brands may take on associations with their past and with certain noteworthy events in the brand history. These types of associations may involve distinctly personal experiences and episodes or be related to past behaviors that take place through experiences with friends and family”. (Keller 2001 p. 12)

Regardless to the type of associations related to brand, they can be categorized according to three different dimensions – Strength, Favorability and Uniqueness (Keller, 2001, p.12) According to Keller (2001) the strength shows how strongly the brand is connected with brand associations; favorability refers to the importance and value of brand associations, and uniqueness shows how distinctively the brand is identified with the associations. Further he states that positive results of in these dimensions cause valuable brand responses and active brand loyalty.

“The study of history, as the above example suggests, can be a very valuable step toward solving problems.” (Hopkins, 1999)
According to Muniz & O’Guinn (2001) in their research article entitled “Brand Community” they discover during their documentation that several authors have performed in depth research studies which have shown that the meaning of a brand is developed within a brand community. The use the term Consciousness of the mind describing three indicators which help to formulate brand meaning through a shared community, traditions and sense of moral responsibility to the group. The first step in this theory refers to the element of community that is coined by Gusfield as “consciousness of Kind”; which implies reaching the consciousness of the mind. This is an intrinsic connection in the way that the members of the community feel toward each other and their total devotion to the brand. In that this connection is a shared feeling of belonging which only permeates within the community. The next level of this framework described by the author’s is about traditions of the brand and they use the research conducted by Douglas and Isherwood which states “The second indicator of community is the presence of shared rituals and traditions. Rituals and traditions perpetuate the community's shared history, culture, and consciousness”; Rituals, “serve to contain the drift of meanings; and these brand meanings are conventions that set up visible public definitions” (Douglas & Isherwood 1979, p. 65) The third element of community is described as a sense of moral responsibility, which show that there is a sense of obligation within a brand community and the purpose or meaning of the brand is more tangibly felt within is the individual members of the group.

3.2.2.2 Leveraging the Brand

In the complex world of organizations and companies where the competitive position play an important role in successful achievements of the company, managers should think how to strengthen the brand and create valuable and clear knowledge about it among target customers. According to Keller (2003) one area of increasing the importance of brand is brand-leveraging process which means to increase the effects on consumers caused by linking the brand to some place, person, thing or its heritage.

On the basis of previous researches made by Aaker (1997), Zaltman and Higie Coulter (1995), Foumier (1998) and others, Keller (2003) comes to conclusion that all different kinds of information could become brand knowledge by being linked to the brand including brand awareness, brand image and meaning, as well as attributes and other dimensions.
Brand knowledge can be created and changed by marketers in a way they want their brand to be perceived by customers. Linking the brand to other place, thing, person or its heritage creates new knowledge or affects existing one. Marketers should understand how various entities might be united to create the optimal position in the customer’s mind. Identification of the brand with a cause could have multiple effects on brand knowledge. A cause marketing program could build brand awareness via recall and recognition, enhance brand image in terms of attributes such as user imagery and brand personality, and evoke brand feelings and attitude (Keller, 2003, p. 4)

For the purpose of understanding the leveraging process marketers should find out what their customers know about the brand and how this knowledge might be affected by tying the brand with other entities. A deep marketing research is crucial for gathering such information about the company. Customer research should be considered carefully as usually its perspective is too narrow and “by ignoring the multiple effects affecting and resulting from marketing activity, consumer research could lack the richness necessary to provide more integrative and powerful theoretical insights and marketing solutions” (Keller, 2003, p.2).

Simms and Trott (2007) claim that there are two levels of the repositioning, or brand leveraging: symbolic (emotional) and the functional (rational). Symbolic level is more important in respect to customers’ attitude to the brand as it corresponds to associations evoked in their minds. As an example of successful brand leveraging Mini brand could be presented. According to Simms and Trott (2007) after Mini was bought by BMW, the positioning and perception of the brand changed. That happened because Mini had British heritage which affected brand perception in a positive way, and the acquisition with BMW might have brought both positive and negative effects on this perception. The authors assume that the negative side of change in Mini ownership was that BMW is a Germany company, and many stakeholders of Mini brand might perceive that now it lost its individual character in terms of British heritage. The positive effects related primarily to BMW’s ability and expertise in producing reliable and high quality cars.

The authors conducted a research involving 66 in-depth interviews with old and new owners of Mini cars in order to find out how the acquisition changed the perception of the brand in total. As a result, Simms and Trott (2007) found out that BMW succeeded in Mini brand leveraging because they managed to reposition Mini brand at the functional level
without losing the key symbolic appeal of being “fun and sporty”. Considering the apparent importance of the symbolic elements of the brand’s image it would seem likely that retaining a similar symbolic image would be important to the brand’s long-term success (Simms & Trott, 2007, p. 9).

3.2.3 Brand Responses and Reflections:

According to Keller, Brand Responses refer to how customers respond to the brand, its marketing activities, and other sources of information. Brand responses are divided into two sub categories which are brand judgments which origins are from the consumers “head” and brand feelings that come from the consumers “heart”. According to Keller (2001), brand judgments relate to brand quality and brand credibility. Brand quality points to how the customer’s perceived value relates to the brand communication. The communication of the brand between the customers is what takes place in the attitudes and satisfaction that reflect the firm’s relationship to the customer. Furthermore, according to the author brand credibility is referenced as “to the extent to which the brand as a whole is seen as credible in terms of three dimensions – perceived expertise, trust-worthiness, and likability” (Keller, 2001, p. 13).

The next sub category entitled “brand feelings” describes the relationship of the emotional responses and reactions with respect to the brand. The author further states “Brand feelings also relate to the social currency evoked by the brand”. (Keller, 2001, p. 14)

According to Erdem, T. et al (2004) brand credibility is the most important characteristic of the brand in uncertain markets with asymmetric information. The authors conducted a quantitative research at the University of North America which showed that customers make brand choice relying on brand credibility which reflects “the cumulative impacts of associated past and present marketing strategies and activities” (Erdem et al, 2004). Moreover, customers construct their consideration set based on brand credibility as it decreases information costs and risks of consuming inappropriate product.

On the basis of emotional experience connected to specific brand consumer makes a purchase decision. Han, Lerner and Keltner (2007) present a unique theoretical framework named “Appraisal-Tendency Framework” (ATF). This theory helps one to evaluate the impact of the emotional state a consumer experiences during his or her decision making process. Furthermore, the authors state that “The ATF addresses how and why specific
emotions carry over from past situations to color future judgments and choices” (Han, Lerner & Keltner, 2007). These authors argue that specific emotions give rise to specific motivational processes. These emotions can be influenced by companies through their brand strategy providing consumers with positive emotional background which is important for building strong brand equity.

### 3.2.4 Brand Relationships:

Brand relationship focuses on the ultimate relationship and level of identification that the customer has with the brand (Keller, 2001, p. 15). This term is coined “Brand Resonance”. Brand resonance is characterized by the intensity and level of psychological involvement a customer experiences within these relationships. Due to an evolvement of categorization created by Keller the strongest affirmation in brand loyalty occurs when customers have the sense of community. A sense of community allows the social life of participants a willingness to spend their time, money and energy for specific brand categories. Brand relationships are valued in terms of two dimensions – intensity and activity which show how deep the loyalty is felt and the frequency of consumers’ usage of the brand. An example of one brand, among others, with a deep brand resonance and association is illustrated by Keller in the brand loyalty that takes place with the customers of Harley Davidson Motorcycle Company.

According to Patterson & O’Malley (2006), Brand Relationships refer to the area of marketing that focuses on how brands are internalized and personalized in the human interactions and projections customers experience with a brand. The article reflects the roles that brands play in the lives of consumers and acknowledges how networks and relational connections unite the individuals of the brand community together. One of the key determinants in these brand relationships are based on the authenticity of the brand. It states that the culture derived from the brand community abound throughout the idea that the brands authenticity offers the community a unique association. This unique association builds strong bonds with the brand and within the interpersonal relationships that are created and sustained over time. The time factor allows for a rich culture to develop within the brand community and the past is identified as a quality and trademark to be admired, which communicates a deeper bond relationship with the brand. The authors also quote several
additional researchers that have studied this topic, such as Twitchell. According to Twitchell (2004), “In essence every brand is a story in and of itself, and these stories are the culmination of interactions between the organization and consumers; which the brand management literature distinguishes as brand concept”. (Twitchell, 2004, p. 484)

3.2.5 Brand Culture and Personality

3.2.5.1 Brand Personality

Brand personality is “the set of human characteristics associated with a brand; which include Sincerity, Excitement, Competence, Sophistication, and Ruggedness.” (Aaker, 1997, p.347)

Kapferer (2004) explains how the idea of having a famous character representing the brand has become so widespread; and those consumers instantly associate with the celebrity that sponsors the brand. Associating a recognized celebrity with a brand gives credibility to the brand and value is added through this process.

According to the research study performed by Aaker (1997), brand personality is about consumer behavior and that an understanding of the symbolic use brands is essential in practical application. Brand personality refers to human behaviors where consumers of specific brand categories identify their self image with a particular brand. Aaker (1997) illustrates an example referring to work that has been done by Keller, in that, Absolut vodka primarily targets you people in their mid 20’s in their marketing advertisements; whereas on the other hand, Stoli vodka tends to target groups of people in an older age range that associate their beverage with being conservative and upscale. These various trends in people groups help marketers to use these patterns of customer behavior to hone in on the central drivers of consumer preference relating to age groups and lifestyles that serve as a self expressive function. Furthermore, she argues these topics as the symbolic association with celebrities and lifestyles showed in campaigns, allows groups of people to build brand cultures that boost their self image and empower them to engage with groups of people in different age and financial status categories through these associations. She performs both a quantitative study that helps to measure the number and qualitative that helps to measure the nature of the five dimensions of brand personality. The method for this study was based upon demographics, age, gender, income, ethnicity and location and was distributed to 1200 individuals in the U.S. through the postal service Federal Express. The results of
her study showed that brand personality can be measured based given a representative sample of subjects; that has both theoretical and practical applications.

Another research study was conducted by Wesley, Fowler and Vazquez (2006). The authors intended to compare the personality characteristics of US retailers assigned by Hispanic customers with the self perception of US retailers. Wesley et al (2006) state that personality characteristics of US retailers are of great importance in relation to Hispanic market as well as it grows each year enormously and this segment of market has power now. As a theoretical framework the authors used the Brand Identity Prism model presented by Kapferer in order to show the overall importance of brand personality. In order to collect empirical data the phenomenological qualitative approach was chosen. According to Calder (1977), the phenomenological approach provides a systematic description in terms of first degree constructs – how consumers interpret reality in their own terms (cited in Wesley, Fowler & Vazquez, 2006, p. 13). The authors decided to assemble focus groups and interview them starting with questionnaires and follow with discussion using personification technique. According to Day (1989) the personification approach assesses an organization’s personality by asking respondents to pretend a certain organization has come to life as a person (cited in Wesley, Fowler & Vazquez, 2006, p.1). Forty women and fifty men from different Hispanic countries were interviewed in Spanish. The answers were recorded and further translated into English. The results and data analysis showed that organization personality can be characterized in different ways comparing customers and organization itself. Moreover, the way how customer personalizes the firm defines whether it is desirable or not.

3.2.5.2 Brand Culture

According to Sergiovanni and Corbally (1984) a standard definition of culture would include the system of values, symbols and shared meanings of a group including the embodiment of these values, symbols and meanings into material objects and ritualized practices (cited in Banerjee, 2008, p.3).

According to Kapferer (2004), every brand has its own culture and brand culture means the set of values that creates the brands inspiration and the source of the inspirational power that a given brand holds.
The brand cultural facet of the Brand Identity Prism refers to the foundational principles that govern the brands communication and product attributes. Therefore, the culture of a brand is its core essential aspect that gives consumers a sense of belonging to a reputable community of individuals and opportunities of association within this community. This is the main driven force that causes these consumers to keep buying the products of one company rather than another.

A research study was conducted by Larsen et al (2007) which documented customer patterns of behavior and how they associated there buying behavior with a super malt beer brand. This study infers how it is the main strategy of a company to create and sustain a thriving brand culture that will enable this brand community to continually associate their self identity with the brand identity. During this study comparisons were made with a consumers self identity and how they connected with a products brand identity through a qualitative research study. This study was performed in Brixton, England and specifically focused on the beer drinking habits of the Afro Carribean population of that city. According to this study, the authors present two perspectives when formulating theories in brand identity “The managerial construction of “brand identity”; and the consumer construction of brands as part of their “self-identity” Recently, a trend towards an integration of these two perspectives has emerged, as there has been a realization that marketing efforts and consumer interpretations result in a co-constructed and sometimes almost animistic “self-identity of the brand” (Larsen et al, 2007, p.1). Using a beverage as the main part of this study allows for a domestic view to show patterns of consumer behavior, which in turn leads to continuous positive customers associations and word of mouth advertizing that creates stronger bonds and loyalty in the brand.

3.3 Summary of Theoretical Framework

Each of these five components is crucial for analyzing Husqvarna Motorcycles brand building process. Brand identity and physique component allows the authors to assess and analyze the current position of the brand on the market, that is, how and when the customers think about brand of Husqvarna Motorcycles and what could be the competitive characteristics of it that create value to target customers.
Analyzing brand meaning and leveraging the brand gives possibility to clarify the challenges which the managers of HQM are facing in relation to constructing strong associations and tying together their brand heritage and the fact of being acquired by German company BMW.

Brand responses and reflections component is important for the analysis as with its help the authors are able to evaluate the steps taken by HQM to construct the credibility to the brand.

Brand relationship step is crucial for this work as it helps to analyze the efforts of HQM managers to strengthen the loyalty of the customers through creating brand communities.

Brand culture and personality component gives the opportunity to the authors to estimate the values and personal characteristics that HQM is trying to create in perception of customers.

![Theoretical Model](image)

Figure 5 The theoretical model constructed to provide the reader with clear structure

The authors find that these theories can be applied for an analysis of the HQM to further assess their current situation of their brand on the market and attempt to better understand how the customers of the firm perceive the package of goods and services within their market offering.
4 Empirical Findings

In order to investigate how the company can build equity over time with their customers; the principles of building stronger brands are presented within an interview format that will be interpreted and documented in this section.

In the “Empirical Findings” section of this thesis the authors are presenting the information collected during a one week period in Varese, Italy where the Headquarters of Husqvarna Motorcycles are situated. The authors do not intend to make any analysis or draw conclusions here. First, the interviewees would be presented stating their name and position within the company. Then the results of the interviews would be listed in accordance with the structure introduced in “Theoretical Framework” section.

4.1 Presentation of Interviewees

Interviewee I: Technical Assistant to the CEO; Mr. Diego Arioli is the primary coordinator and communicator in all of the transactions that take place in the collection of the data for the brand identity process and a acting liaison for Mrs Radin which is the main director of the project. Mr. Arioli has spent the past two years investigating the history and brand identity of the Husqvarna Motorcycle firm.

Interviewee II: Director of Marketing; Mr. Mucchieto Massimiliano has spent the past five months working together with both the technical assistant Arioli and the project leader Mrs. Radin offering a plan of strategy and support in this process. Both Arioli and Massimiliano have had several years of work experience in the management and marketing sector of the automobile and motorcycle industry in Italy and have a full dedication to reaching the highest level of success in this endeavor.

Interviewee III: Marketing Manager; Mrs. Sara Radin has been working with Husqvarna Motorcycle company for the past 12 years from the origin of the original acquisition from Sweden’s Electrolux to the Italian Owner Cagiva. Mrs Radin has a wealth of knowledge
and expertise in the area of strategic marketing and management and is the primary leader of the brand identity process. Mrs. Radin has seen both the many challenges and opportunities with this brand and has become the most significant player in the final stages of this project.

Interviewee IV: Director of Public Relations; Mr. Martino Bianchi has also been working with this firm from the origin for the past 12 years as the primary communicator in all public relations of Husqvarna Motorcycle. Bianchi has had over twenty years of hands on experience as a motorcycle journalist and in the motorcycle racing community of Italy. He has had the unique opportunity to develop and strengthen the racing and business communications of the firm as well as participated in the development and creation of the Husqvarna Motorcycle racing team and school in Milan.

Interviewee V: Press Office; Mrs. Federica Artoni has worked side by side with both Mr. Bianchi and Mrs. Radin in the strategic development of marketing and public relation communications for the firm. She has played a major role in bringing the company into a stronger marketing position through newsletters and launching events for the firm where she has the opportunity to meet the racers of the HQM team and the existing and new riders of HQM. She is a spokesperson for the company together with Mr. Bianchi and offers a creative strategic approach in all business and presentation communications.

4.2 Results of the interviews

4.2.1 Brand Identity & Physique

According to Keller (2001) Brand Identity means how often the particular brand comes to customer's mind and in which situations. Brand identity should differentiate the brand from competitors in the perception of customer. Brand Physique refers to specific personal characteristics that set the brand apart from others. Brand Physique creates the stronger perception of Brand Identity (Kapferer, 2004).

During our empirical investigation several perspectives were documented concerning the identity of the brand. It is, therefore, quite significant to present the various facts of our findings. The brand Husqvarna is used by 3 separate companies based upon the strong
brand identity recognized around the globe as quality Swedish engineering. The first company is the original company entitled Husqvarna AB, the next is Viking which represents sewing machine brand in America; and the third is Husqvarna Motorcycles in Italy now owned by the BMW group. The reason for this phenomenon is that the name and logo Husqvarna holds a strong presence in the global market that is highly valuable and is a recognized asset to market (Mr Arioli, personal communication, February, 23, 2009).

According to Mr Arioli, the target marketing group is men and women in the age of 16 to 25 years old. The current marketing strategy for Husqvarna Motorcycles is to focus on young people who wish to use their vehicles for recreation, transportation and professional racing use. He further describes the current market position in relation to brand identity:

“Husqvarna is a young company, our primary business thrives and grows based upon our continued success in racing and the popularity of off road recreation. Our brand has held 3 world championships in the supermoto competitions. As we are presently transitioning through this brand process, we wish to conduct a marketing research both in Germany and Italy to see how our customers perceive our brand. We will also soon share a platform with BMW here in Varese, once our new show room will be completed, and this will also allow customers the opportunity to enjoy products and service from both brands” (personal communications, February, 23 2009).

A team from BMW has worked to define the new brand strategy of Husqvarna Motorcycles and has created a specific brand identity outline in a PowerPoint format. This layout and design can be found in the Appendix 2. In this brand identity design there are three dimensions that connect with the riders of Husqvarna Motorcycles. The guiding dimension is illustrated to establish a foundational element of being focused, streetwise and competitive. This dimension is entitled as “experienced”, which displays to the customers that the historical aspect proves innovation and credibility. The second dimension focuses on the emotional aspect and is entitled “exhilarating”, which draws on the team spirit, courageousness and racing ability. The final aspect in this diagram features the physical dimension which is entitled “robust”, this part of the brand identity reveals the rough, durable and technical qualities of these machines. As there will be a considerable amount of time that BMW will take in fully transitioning this brand into the BMW brand portfolio, the plan is clear about what the company wants to portray and sustain in their brand identity.
4.2.2 Brand Meaning & Leveraging the Brand

During the interview week the authors gained important findings concerning brand meaning and image of Husqvarna Motorcycles. According to Keller (2001) the main factor of successful brand image is associations, evoked in customer’s mind with the brand. According to Keller (2003) leveraging the brand is one of the tools to increase the value of the brand through tying it to another place, person, thing or heritage. This technique creates effects the brand knowledge of the customer and strengthening the image of the brand.

According to Mr Arioli (personal communication, February, 23, 2009) the customers and media miss strong and clear associations with the Italian brand Husqvarna Motorcycles. He points out, that the problem occurred due to the fact that Husqvarna brand is known worldwide mostly for Swedish products, such as chain saws. It is still recognized by the majority of consumers, that Husqvarna motorcycles have been produced in Sweden for more than 80 years. Thus, all these factors led to the situation when even new products of HQM are often associated with Sweden. Mr Arioli further stresses:

“Couple of months ago there was an article in a magazine about our new engine and the journalist made a mistake saying that this was a good job of Swedish engineers. This mistake was done because there was no clear message to make customers understand that the company is Italian. That is why we want to connect the Swedish heritage, Italian passion and German quality in order to strengthen and clarify our brand image”.

Mrs Radin (personal communication, February, 26, 2009) states that the Swedish heritage will be used in a new brand strategy in order to provide customers with the feeling of belonging to a big community with long history and strong image of success. In this case there is much information about the past of Husqvarna Motorcycles must be collected. Furthermore, she claims that the history of Husqvarna Motorcycles might be very important for communicational process between brand and customers in the future. She states:

“It is possible that the communication made by HQM in the past has interesting points or good ideas that we can take and suggest in our communication today. We are trying to understand the position of the brand in the past and see whether it is coherent with the position we are now in.”

(Personal communication, February, 26, 2009)
In addition to the importance Swedish heritage the Italian style and design were taken into consideration by interviewees while discussing brand meaning. According to Mrs Radin (personal communication, February, 26, 2009) HQM should be presented as an Italian firm since Italy is known for its passion and experience in motorsports. In order to associate more the brand of HQM with racing power and passion, the principal colors were changed from blue and white to red and white. Mrs Radin claims later:

“Colors are incredibly important for our brand. Red was chosen because racing colors are predominantly warm, red or orange. Previous colors, white and blue, were used for long time and are mainly associated with Sweden. Moreover, these colors are too cold for racing motorcycles. In order to make associations with HQM as an Italian brand stronger red color is now used in all racing equipment, accessories and clothing as well as brochures and sales materials.”

Another important issue which needs to be implemented in brand image strategy, as mentioned by the interviewees, is building an “outstanding quality associations” as so called German quality. Mrs Radin (personal communication, February, 26, 2009) states that the brand of BMW is associated in people’s mind with quality and solidity as its products do not brake and are always appreciated. One thing all BMW customers have in common is their appreciation of driving fun and sporty, yet elegantly designed cars. These associations might be useful for the HQM brand as well as for their marketing campaigns.

4.2.3 Brand Responses & Reflections

According to Keller (2001), brand responses and reflections refer to the extent to which the brand as a whole is seen as credible in terms of three dimensions, which included perceived expertise, trust worthiness, and likability.

After the initial interviews performed with Mr. Arioli and upon the interview with the Mr. Massimiliano, it was discovered and further explained that the credibility of the company had been lost due to various negligent acts of the former owner of the firm. According to Mr. Arioli (personal communication, February, 24, 2009), even though the customers of HQM believed this motorcycle brand to be a quality and credible company, trust had vanished from many customers during various transactions of customer orders that could not
be fulfilled or delivered in a concise and timely manner by the firm. Mr. Arioli described some of these events:

“Before the acquisition of BMW, the Husqvarna brand was poorly managed. The previous owner did not manage the finances of the company properly; which led to many problems between the firm and the customers. During the time of the previous owner in the last years before BMW bought the firm, much of the financial and relational equity of the firm was lost. The previous owner attempted to manage three motorcycle brands simultaneously. This was a mistake and since no customer service department existed, there was little communication between the dealer network and the company. Therefore, we lost many customers due to a shortage of motorcycle parts that were needed to fulfill customer orders, and to complete new motorcycles that were being built. The company did not have enough money to have all of the motorcycle parts to finish building motorcycles and since there existed poor relationships with the suppliers of the motorcycle parts orders were never sent. Unfortunately one of the direct results in our inconsistencies has been not only a loss of business but it has allowed our competitors, especially KTM which is currently number one in the European market to potentially gain our past customers” (personal communication February, 24 2009).

According to Mr. Arioli (personal communication, February, 24, 2009), trust worthiness and reliability were some of the foundational principles this brand was built upon when this brand was managed in Sweden. Unfortunately, because of the strong brand responses of the past, it enabled the former owner to mismanage and manipulate it.

However, with so many failures of the past which has resulted in a loss of trust, great responsibility comes for the new group of marketing managers for the Husqvarna brand. One of these new players is Marketing Director Mucchieto Massimiliano. During the interview with Massimiliano he states:

“Since the brand has suffered under the old management a lot of work must be done to regain the confidence of the customer and re-instill the credibility that was lost. A long period has passed by where was no functional marketing department. There was almost no communication with the customers to know how they were responding to the brand. There were no marketing surveys realized, so the company was never sure who their customers were. Therefore, part of my strategy as the new director is to implement marketing research first in Italy and second in Germany since both Husqvarna and BMW wants to have a deeper understanding of who the customers are. Today, there are current plans in effect to launch a marketing survey this May that will continue for one year. The results will assist in making more accurate sales and marketing forecasts for 2011” (personal communication February 26, 2009).
4.2.4 Brand Relationship

According to Keller (2001) and Kapferer (2004) brand relationship are the transactions and communication that occur between customers and the brand. Brand relationship are characterized be brand resonance which is the intensity and level of psychological involvement a customer experiences within these relationships.

During the interview with Mrs Artoni and Martino Bianchi the questions concerning the communication process between the company and the target customers were asked.

According to Mrs Artoni (personal communication, February, 25, 2009) the customers are interested in what is happening to the company, as well as follow releases of new products and arrangements of racing events. She also notes that starting from 2004 year the amount of newsletters that is weekly sent out to customers grew to 15 000-20 000 worldwide and the number of subscribers to newsletters grow each week. Moreover, the customers are sending letters with different questions to Mrs Radin and Martino Bianchi. They receive around 300 letters each week where the customers show their willingness to participate in racing events and organizational process of them.

The other important way of communicating with main customers is media. Mrs Artoni (personal communication, February, 25, 2009) mentions that each article about HQM and its products is of great importance for them. Then she continues:

“What we need is to serve the media because they are giving us publicity. We have been printed in off-road magazines such as “Motocross” and Italian magazine “Fuoristrada”. These magazines need information about us because their specialization is to write about off-road motorcycles. In future we want to contact and be published in non-specialized magazines which will help us to reach more people and attract new customers. For now we do not have enough budgets to do this.”

Martino Bianchi (personal communication, February, 25, 2009) states that in order to communicate with main customers personally and due to the fact that internet is playing an important role in our lives; the managers organized the group on Facebook. There are now more than 4 500 participants and the number is growing each day. People communicate there, share their opinion and experience as well as find news about the events HQM is or-
ganizing. Moreover, this group helps Martino Bianchi and Mrs Artoni to see what people are interested more in and then provide them with this. Also he points out:

“In order to communicate with our customers personally we also have so called Husky days, open door events. We hold them on supermoto racing roads where we give our customers the chance to test our bikes, talk to mechanics and communicate with each other. Moreover, we provide them with small souvenirs such as t-shirts with our logo and caps.”

Mrs Artoni (personal communication, February, 25, 2009) adds that besides Husky days they set up huge Milan show each year welcoming all customers to participate in it. She also notes:

“During these events the customers are really happy. They enjoy communicating with us, they feel relaxed and the atmosphere is like in big family.”

Furthermore, Martini Bianchi (personal communication, February, 25, 2009) stresses that in addition to all events HQM managers set up, there is a special club which is called Husky off-road school. More than 500 people of the age starting from 5 to 50 are studying there. The school belongs to a close friend of HQM hence managers of Husqvarna Motorcycles may communicate with the students there as well as provide school with riders who teach people to control off-road motorcycles.

4.2.5 Brand Culture & Personality

According to Kapferer (2004), every brand has its own culture and brand culture means the set of values that creates the brands inspiration and the source of the inspirational power that a given brand holds. Aaker (1997) states that brand personality is about consumer behavior and that an understanding of the symbolic use brands is essential in practical application.

During the interviews with Mrs Radin, Martino Bianchi and Mrs Artoni the authors discovered that the marketers of Husqvarna Motorcycles are trying to build a stronger brand culture in order to increase the loyalty of their target customers.

According to Martino Bianchi (personal communication, February, 25, 2009), the managers of HQM are setting up press releases and Husky days; which are open door events, where
people can test drive motorcycles, talk with mechanics and communicate with each other. These events are important as they allow the interactions of representatives of the brand, company sponsors and customers to gather together in one meeting place. Brand culture is formed and established as a direct result of these encounters, it brings encouragement to the brand managers and insight into technologies to the riders. During these events customers are presented with t-shirts and caps with the logo of Husqvarna, which creates energy and excitement focused on the brand. These souvenirs also communicate the brand culture outward to others that see the logos and inward that sets the tone for brand community.

Mrs Artoni (personal communication, February, 25, 2009) adds that people feel a sense of belonging into the Husky world where they are united by the same drivers and passions about Husqvarna Motorcycles. She further states:

“During these events the customers are really happy. They enjoy communicating with us, they feel relaxed and the atmosphere resembles a big family.”

Moreover, Artoni describes during our discussion; that the managers of HQM organized a group for amateurs of HQM in the Internet website Facebook. There are currently more than 4 500 participants in this, which offers both the members and the brand managers an opportunity for communication. The club members have an opportunity to communicate via email, post pictures connected to the brand; as well as find the latest news about the upcoming events. Furthermore, the customers have the ability to communicate directly with managers of Husqvarna to ask questions. Mrs. Artoni claims that this group on Facebook unites members and allows the globe to grow as people from all across Europe have the chance to connect with other riders through this community of Husqvarna fans (personal communication, February, 25, 2009).

In addition to the topics discussed by Artoni, Martino Bianchi mentions that customers want to have a chance to express their connection to Husqvarna Motorcycles; by wearing cloths and racing accessories. These attributes are sold on their web site as well as during all the events held by the company. People tend to come to the events and races wearing clothes to be singled out among others and associate with each other within this culture (personal communication, February, 25, 2009).
As the topic of brand culture continued, Mr. Bianchi (personal communication, February, 25, 2009) describes how the press conferences, races and marketing communications through magazines and newsletters go hand in hand and are in most cases combined to show target customers the achievements of Husqvarna. This creates platforms of discussions to take place about the brand which stimulates excitement and community within the club members. He further discusses these topics:

“Every aspect of our work contributes to how our brand personality is formed. Our brand becomes personalized through our Husqvarna Racing Team that communicates the traits in the HQM community, which are connected to the emotional dimension of our working strategy that are courageous, racy and team spirited” (personal communication, February, 25, 2009).

Furthermore, Mrs Radin (personal communication, February, 26, 2009) claims that Husqvarna Motorcycles wants to be perceived by customers as passionate and powerful. These perceptions were noted to be associated with the personality of the brand. The managers of the company believe that the change in colors would create cultural attitude among customers to HQM as an Italian firm, Radin further states:

“Colors are very important for our brand. Red was chosen because racing colors are predominantly warm, red or orange. In order to make associations with HQM as an Italian brand, a stronger red color is now used in all of our racing equipment, accessories and clothing” (personal communication, February, 26, 2009).

Another aspect which was mentioned by Mrs Radin (personal communication, February, 26, 2009) and of great importance for Husqvarna Motorcycles is the Swedish heritage. She notes that Swedish heritage will be used in a new brand strategy in order to provide customers with the feeling of belonging to a large community with a long history and strong image that communicates both value and success. Mrs Radin believes that implementing the historical aspect to the strategy will create value for customers, and thus, will increase their loyalty to the brand. However, the managers of Husqvarna do not have a complete knowledge about the past and the full awareness of the history is the driven force for further research.
5 Analysis

In this section we will conduct an analysis based upon the information that has been discovered in the empirical data interpretation and derived from our theoretical framework. Thus, we have analyzed the empirical findings utilizing the foundational concepts in building brand equity from our theoretical framework in order to assess the challenges and opportunities that the company is facing in their brand identity process.

5.1 Brand Identity & Physique

Challenges

According Hoeffler and Keller (2002) building a strong brand identity and awareness is considered to be an important first step in building strong brand equity and value in customers’ minds. Therefore, the main challenge for managers of Husqvarna Motorcycles is succeeding in the process of building strong brand identity by constructing unique characteristics in the connection with their successful racing division.

The brand identity process that Husqvarna Motorcycles is currently facing together with the BMW group is a combination of the past, present and future. On one side they have collectively decided to investigate there past to have a clearer understanding in the present; that will allow them to proceed in the future. The goals of both divisions of the company are shared in that they both wish to sustain a competitive advantage in the recreational and racing sector of the motorcycle market. On the other hand, the challenges that they are facing concerning this process is evident in the fact that before the complete immersion of HQM into the BMW portfolio, this investigation process must be complete.

According to Kapferer, (2004), in order to define the brand and its substance the company must establish, develop and sustain a unique brand identity. Additionally, he states that physical characteristics of this particular brand are crucial to set the brand apart from its competitors. The managers of HQM are now facing the challenge in accordance with
brand physique as the process of constructing such characteristics is time consuming. Moreover, it is important for managers to understand the needs and preferences of customers in connection with their brand in order to create value through unique brand identity. This can be concluded by the coherence of both this present strategy and its value adding tangible aspects of the brands physique that will encourage and attract new customers of the HQM brand.

Keller (2001), states that, “brand awareness involves linking the brand – brand name, logo; and symbol - to certain associations in memory”. This is coherent with both the implementation of this investigation and the statements by the representatives of the firm, which will include a marketing research in several countries to see how the customers of the firm perceive the identity of Husqvarna. This process further agrees with the work of Kapferer (2004), which states: that in order for a brand to stay strong it must be true to its identity and to avail the brands innermost substance. Based upon interview sections the authors may conclude that the managers are aware of the importance of the outcome that must be achieved in order to discover the innermost substance of this brand.

Opportunities

There are a lot of opportunities of these two management groups working together to achieve the very best outcome in this brand identity process. Many of the challenges that they are currently facing can be overcome once this investigation has concluded. The platform that both HQM and BWM will share in the future will offer an excellent opportunity for both managers of the brands and the customers. The riders of both of these motorcycles will be availed the many benefits that come with both product and service excellence of these partners. This endeavor aligns with the conceptual framework of Kapferer (2004) that states that all brands have specific physical characteristics that set them apart from the other brands, and it is these characteristics that make them unique. As in the future both brands will be showcased at the headquarters in Varese, Italy and motorcycles will feature their unique characteristics that will employ variety for the customer and more financial opportunity for the firms.
5.2 Brand Meaning & Image

Challenges

During the process of building a new brand strategy, the managers of Husqvarna Motorcycles decided to focus on three main components which are evoking strong associations: Swedish heritage, Italian passion and German quality.

According to Keller (2001) the brand associations that make up the brand image and meaning should be characterized by three important dimensions: Strength, Favorability and Uniqueness. Each of the components highlighted by HQM corresponds to these dimensions. One of the main challenges that the managers of HQM are facing is complexity of combining those components in such way where the associations should not damage the core image of the brand. Heritage, Quality and Passion are the associations that create strong feelings. However, mixing them together at the same time might lead to customers’ uncertainty about what the brand HQM to associate with. The company is aware of the importance of the choice that has to be done and is now searching the ways to communicate these three components to the brand in the most successful way.

The interviewees stated that the Swedish heritage is now considered to be the most important component of HQM brand image. According to Keller (2001) associations with the history and heritage may be broad-based and therefore will be shared to a larger extent. For this purpose these associations should involve more specific and concrete examples that transcend generalizations. Therefore, the next challenge the company is facing now is how to continue the research of the history in order to determine which events should be highlighted and brought on public. At the moment, the company is continuously searching for information about the past and analyzing it.

As Keller (2003) states in the article “Brand Synthesis: The Multidimensionality of Brand Knowledge” marketers should understand thoroughly how brand leveraging through linking heritage with brand would affect brand knowledge and, thus, brand image. As managers of HQM consider the history as main component of their future brand strategy the challenge they are facing is to conduct well planned and deep customer research. The marketers of HQM should consider all causes and effects that might be caused by linking the history
to the brand Husqvarna Motorcycles. This challenge is crucial in constructing a strong brand strategy as too narrow research as well as choosing wrong or inappropriate link in brand leveraging may bring the wrong understanding of customer’s knowledge and, therefore, ruin brand image.

On the basis of the Mini brand illustration, there is another challenge the managers of HQM are facing and must consider. In order to reposition their brand successfully the marketers should realize to what extent the brand heritage is important for customers and not to loose its value while connecting with BMW. As the analysis made by Simms and Trott (2007) showed, the symbolic meaning is of more importance than the functional one, the managers of HMQ should be careful in tying to gather different associations of Sweden, Italy and Germany in order to make the perception of the brand clear.

Opportunities

A great number of opportunities arise during communication of the Swedish heritage, Italian passion and German quality for making the brand image strong and more valuable. First of all, the company may strengthen the brand perception of existing customers through the feeling of being the part of community. According to Muniz and O’Guinn (2001) the brand meaning is developed within a brand community where a shared feeling of belonging permeates the community. Each of the components allows the customer to feel engaged with the life of brand and feel the strong connection to other customers.

Furthermore, the new strategy may increase the intrinsic interest of employees and suppliers, dealers and importers, through highlighting the successful historical and present events of the company. This can attract attention and improve loyalty of both existing and new customers, creating a bright and memorable image of the brand. As a consequence, making an accent on the successful past of the Husqvarna Motorcycles history may deepen an internal spirit of the company.

Through repositioning the brand, leveraging Swedish heritage, Italian passion and Germany quality and implementing them into brand image, the managers of Husqvarna Motorcycles will increase the value, thus, the equity of their brand which now is their main aim.
5.3 Brand Responses & Reflections

Challenges

Upon analyzing the results of the empirical data, it was realized that under the claims of Erdem (2004), the credibility of a brand is the most important characteristic, especially concerning a period of uncertainty and market positioning relating to brand responses that HQM is currently facing. In terms of a loss of credibility and competitors gaining former customers, HQM needs to fully assess the market in order to create a strategy that will place them back into a valuable competing role. Unfortunately, BMW has assumed all of the mismanagement, and some of the poor handling of the Husqvarna brand. The realization in the loss of credibility that has taken place in the past must be targeted and treated in order to increase the value of the brand and create a change. It has been two years now since the acquisition and there is still much work needed in the future to bring stability and trust in the eyes of the customers that have been affected under the former ownership. There is a saying in the marketplace that it can take several years to gain the trust of customers and establish a sound relationship, but only seconds to lose them during a malfunction of a product or service.

Taken some of these previous service encounters of the past into consideration the company needs to deeply understand its impact on the HQM brand. The Husqvarna marketing team and the drivers of change & strategy by the both groups must work in collaboration to reach a level of excellence in product and service, comparable to the long standing traditions of the brand heritage. According to the work of Han, Lerner and Keltner (2007), the illustration of the Appraisal Tendency Framework (ATF) would help to address some of these dilemmas that are being faced by Husqvarna. They argue that customers’ experience of the past function as an emotional state that determines part of their future purchasing behaviors. And these behaviors tend to trigger emotions that offer evidence into the purchasing motivational processes that cause or restrict a potential purchase. Husqvarna Motorcycles has a history that has been formed in the minds of customers as a credible and quality brand. As the present management of the brand are aware of these misfortunes they are vigorously pursuing a positive change that on one hand will involve a lot more development and implementation, but in the end the result will precede the cost.

Opportunities
The responsible agents of Husqvarna Motorcycle are managing a brand with over 100 years of history. To know that they have fully accepted the failures of the past and can identify with the facts in hand will give them an advantage with their current brand strategy process. Implementing the customer market research addressed by the current brand managers will bring positive effects into the brand responses of HQM. In addition to this research it is clear based upon the theoretical presentation to include and implement the Appraisal Tendency Framework. This approach would show how the customers of the brand became motivated and how this motivation interacted with the customers emotions and purchasing behavior. The purchasing behavior is a key element in properly evaluating brand reflections, including the present and former customers of Husqvarna. Moreover, the motivational process found in this data has the potential to offer an opportunity to create future emotion that may stimulate purchases and win the confidence of former customers. As identifying the problems is the first step in assessing and creating a progressive turn around in the brand image and future brand strategy, lessons of the past will allow the current brand managers the opportunity to exercise future service excellence with the Husqvarna brand. The financial and human support of BMW group will allow for an increased stability in the brand. As BMW is one of the largest and most successful motorcycle companies in Europe; and HQM is now being immersed into the brand portfolio of BMW, this will enable Husqvarna Motorcycles to create and sustain competitive advantage in the market and bring a stronger brand image to the firm.

The strategy of the Husqvarna brand management will involve the design and implementation of marketing activities that will assist in building brand equity. As comprises have been present in the past, future investment and consistent brand management protocol is needed to create change. The primary focus of customer based brand equity is that customer responses and reflections play a major role in a brand success. Therefore, the company has the opportunity to build on the success that has positively influenced the customers associations to the brand. As the racing division has shown the most consistency throughout the various challenges of the firm, the chance to stimulate growth with credibility is evident and reachable.
5.4 Brand Relationship

Challenges

According to interview with Martino Bianchi and Mrs Artoni the customers of Husqvarna motorcycles seek for communication with the company as well as the managers are trying to satisfy customers’ needs and construct a big community. According to Keller (2001) brand relationships can be characterized in terms of two dimensions – intensity and activity where intensity refers to the strength of sense of community, and attitudinal attachment; whereas, activity refers to how much the customer engages in other activities not related to purchase and consumption. The customers of HQM are very loyal to the brand; in addition to that the sense of community is very strong among them. Moreover, they are trying to participate in all activities which the managers of HQM are holding.

The main challenge for department of public relations and press is to continuously search for ways to communicate with their target customers. Martino Bianchi and Mrs Artoni understand the importance of holding close relationship and supporting their main audience. According to Patterson and O’Malley (2006) network and relational connections unite individuals of the brand community together. For the purpose of uniting people the managers of HQM hold events and set up groups. Meanwhile the process of supporting the customers should not be ended.

The other challenge the managers are facing is to find the financial support for their events and new contracts with non-specialized magazines. Through the articles in these magazines HQM may make people aware about their activities and engage them in the community of big organization with strong traditions.

Opportunities

The opportunities are colossal of HQM group working under these challenges to achieve the best outcomes. Thereby, this action may be beneficial for both participants of the process: company and customers.

First of all, continuously communicating with the main customers, the managers will motivate people to get more involved with the brand and life of the company. According to Wesley, Fowler and Vasquez (2002) consumers are involved more with the organizations having similar human characteristics as themselves. Communication may help managers to
know the personal characteristics of the customers and construct favorable associations with them in order to satisfy and make the loyal behavior of the target audience stronger. The customers will deepen a feeling of personal approach, and their importance for the company. They may receive comfortable conditions with same-thinking people, become more creative and start sharing ideas, what makes him involved more and more. Thus, the managers of HQM may benefit receiving from the customers fresh, interesting and useful ideas how to develop and strengthen the brand.

The other opportunity which may arise during constant communication process with the target audience is that new customers may be attracted noticing how people are engaged with HQM as well as with bright and huge events of the company. As a result, HQM may benefit with increased sales and support from the customers.

Implementing the theoretical framework for improvement and meeting the challenges occurred during the process of building deep relationship with their customers the managers of Husqvarna Motorcycles will invoke strong loyalty among customers and, thus, increase the equity of their brand.

5.5 Brand Culture & Personality

Challenges

According to Kapferer (2004), the concept of brand culture is the key to understanding the difference between why some consumers are loyal to a brand, while others give their loyalty to the competitors. While Husqvarna continues to compete with other motorcycle brands across Europe and in the U.S., one thing is clear from our empirical findings. The concept of creating and sustaining a strong brand culture will enable the brand managers to anticipate the trends in the market and gain insight into the thoughts of their customers. However, managing a brand of this size is a challenging feat and the diversity of the members communicates different wants and needs that customers are expecting. As most of the customers of the brand are dispersed primarily within the U.S. and Europe, vast communications on various websites can on one hand bridge gaps but on the other hand, something as simple as the colours of the bikes could have the potential to create confusion during advertising. For example, some members may see the advertisements of Husqvarna as powerful sparking adrenaline, while others may see these communications as risky or nonrepre-
sentational of the brand’s heritage. And the only way that the company will discover these variables is through the intentions of conducting their proposed consumer marketing research plan.

Furthermore, both the brand culture and the brand personality are affected by the various clubs and magazines but more importantly to the face to face encounters during the sales and service transactions in the dealerships. The sales and service representatives within these dealerships are the first line of contact for the customers as well as they are also the "Ambassadors of the Brand" and hold a great responsibility in protecting the brands identity; and Husqvarna must ensure that on one hand, the brand managers are effectively communicating with their customers, but on the other hand the dealerships are properly conveying the values of the brand.

According to Aaker (1997), brand personality is about consumer behaviour and that an understanding of the symbolic use in brands is essential in a marketing practitioner’s application. It is further described in the work of Aaker (1997) that brand personality refers to human behaviours where consumers of specific brand categories identify their self image with a particular brand. As the brand managers of Husqvarna are fully aware, one of their main challenges in the brand alignment process is to meet their customer’s needs and matching these needs in the interpretations of the brand communications.

Opportunities

As formerly stated during the interview with Mr. Massimiliano, several consumer marketing surveys will be deployed by external marketing research firms which will help Husqvarna to realize the behavior, perceptions and interpretations of their customers. As this project will be a collective activity of all entire marketing team it will be primarily directed by Mr. Massimiliano. The company needs to discover the buying behavior in the motorcycle community; in order to realize the wants and needs of the riders. Husqvarna must on one hand understand their marketing communications and how consumers respond to them, but additionally to develop a closer relationship with the various dealerships across Europe and the U.S. that represent the brand on a daily basis. Therefore, the company has an opportunity to not only research the consumer groups but also research the business to business behavior of the Husqvarna dealerships.
Brand culture and personality are of great importance or strengthening brand loyalty and creating the value in customer’s perspective. Succeeding in better communicating brand to the strong culture and personality the managers of Husqvarna Motorcycles will benefit in completing their brand equity and, therefore, build a successful customer-based brand strategy.
6 Conclusions

This section is presenting the conclusions derived based upon empirical findings and analysis of research study.

The purpose of this research was to analyze the current challenges faced by Husqvarna Motorcycles in their brand building process, and to describe ways in which applying the brand equity principles will enable an increase of the value of their brand. The purpose is fulfilled by answering the research questions:

1. What are the challenges & opportunities faced by Husqvarna marketing team during the repositioning of their brand?

The managers of Husqvarna Motorcycles are facing a number of challenges in respect to the process of building a strong brand strategy in terms of increasing brand equity which is the most important issue for the company since the brand is the “face” of the company.

The main challenges are listed below:

- Conducting a marketing research in order to find out the customer’s perception and brand knowledge;

- Leveraging the brand through tying it to the successful historical events in order to increase and strengthen the customer’s brand knowledge;

- Continue discovering the past of the brand for searching the brightest and most successful events in order to leverage the brand;

- Connecting together the Swedish heritage, Italian passion and German quality in such way that the image of the brand would increase its value but not damage;

- Continuously communicating with target customers through all available sources and encouraging them in order to build a sense of belonging to the HQM community;
• Constructing the brand culture among dealers as they are the first line in communicating with customers.

2. How can the equity of the Husqvarna Motorcycle brand be increased in value?

The implementation of theoretical aspects stated in this study will be helpful for the managers of Husqvarna Motorcycles in their current process of strengthening their brand equity. Building brand equity requires the full application of all the components of listed, which are aimed to increase the value of brand equity. Increasing the equity of this brand will be applicable in terms of leveraging the brand heritage, sustaining brand identity, strengthening brand image and culture through a constant communicational process. This application will have a direct impact in building the sense of community among target customers which will create brand value. Meeting all these challenges presented in this research will allow the managers of Husqvarna Motorcycles to reposition their brand in the market increase the loyalty of existing customers and attract new ones. In the long term, all of the findings combined and incorporated will cause a lasting effect in sustaining a competitive advantage in the future brand building process and marketing communications at Husqvarna Motorcycles.
7 Discussion

This chapter presents thesis criticism and contribution. Moreover, suggestions for further research in the field of building brand equity in the company would be provided.

7.1 Thesis criticism

The research study conducted by the authors presents a pure academic view on how the brand strategy of Husqvarna Motorcycles could be re-built to achieve successful results. The authors did not intend to conduct the research of historical archives and derive the examples of implementation of the history into brand strategy as this would require experts of Swedish translation and history.

Moreover, during the research only the company perspective of the problem was discussed. The authors found that asking the customers could bias the overall view of the problem in discovering ways to increase their brand equity. In addition, the authors relied specifically on the materials and documentation presented by the brand managers of Husqvarna Motorcycles. Thus, our collaboration with them will assist in a purely theoretical assessment and academic viewpoint. Moreover, the information provided by the managers can differ from a customer’s view of understanding the problem.

7.2 Thesis contribution

The challenges and opportunities described in our analysis section of this research study may be utilized for the purpose of increasing brand equity for a range of practitioners, including the brand managers of Husqvarna Motorcycles. Following the steps presented in our research study will prompt managers to act by having the tools to increase the value of their brand and, thus, succeeding in addressing the challenges faced.
Moreover, the case study of Husqvarna Motorcycles in terms of increasing brand equity and leveraging the history offers the contribution to the managers of other companies who are facing the same problem of brand repositioning as in the case of Husqvarna Motorcycles.

In addition, this case study could be taken into consideration by teachers from marketing courses in universities as an example of the implementation of the framework of Keller and Kapferer, which prompts the practice for analysing a given marketing position and future ways of development in a company.

### 7.3 Further research

Although increasing the equity and value of the Husqvarna brand is critical to see consumer growth, discovering the core problem may require a deeper investigation. The company should first consider the managerial implications and how the marketing communication or possible inconsistency in marketing has resulted in a loss of brand value.

As the element of culture is only briefly mentioned in our research study it is apparent to understand that in the cross cultural aspects of Swedish, Italian and German management styles can have potential to create future challenges. However, these cultures combined communicate brand heritage, passion and quality that creates added value to the customer.

This added value provides an opportunity for the coordination of the management to review the topics of brand value and how that encompasses an increase in brand equity. One of the proposals for the further research would be to communicate this framework in building a stronger brand through brand equity, in a way that each employee involved in the final production and marketing communications understands and embraces the Husqvarna Motorcycle vision.

Another aspect that is interesting to investigate is connected with the fact that the BMW has a long history similar to Husqvarna with each contributing over 100 years of knowledge and expertise. Discovering the way in which these two long brand histories could be correlated, analyzed and derived into a successful component of the brand equity, may support the brand strategy of both company’s interest and a closer realization of brand management.
References:

Literature & Articles


Hyde, K., (2000), Recognising deductive processes in qualitative research, Qualitative Market Research, 3(2), 82-95


Miscellaneous Resource Materials

Brand Identity Power Point Presentation created and distributed by Husqvarna Motorcycle Company; March 2009

Various documents from the archive located at the Fabrik Museum in Husqvarna, Sweden.
Appendices

Appendix 1

Interview with the Director of Marketing Mucchietto Massimiliano

1. What is Brand Identity and Why is it Important to you?
2. Describe a few of the problems that you are currently facing in terms of Brand Strategy?
3. How would you like to approach these problems?
4. Have you conducted a national and international marketing research and assessment within the European Union which has helped you to identify who your customers are?
5. Can you describe some of your internal and external marketing principles and methods?
6. Have you contracted out your needs to market research and if yes, how has it impacted your strategy?
7. What are you current needs and what are some of the gaps that you are currently facing in terms of limitations?
8. What are the main types of marketing information and communication that you use?

Mr Arioli, Technical Assistant to CEO (responsible for the research project)

1. What is the weak point of HM before acquisition?
2. What were the changes after Italy bought HM?
3. Was there a communication between motorcycles and Sweden? With Italy?
4. What does red color mean for Italy?
5. What are your primary concerns about how your brand image in being communicated in, Italy, Germany, Sweden and America? What is the first thing that people associate with the brand?
6. What is the influence of Swedish company to your brand?
7. What is the situation with brand identity in US?
8. Can you use the brand and logo of HV for other products?
9. Is KTM a main concern for your current production forecasts?
10. How does the Italian culture perceive and translate your brand image? Do they totally perceive the name?
11. What are the thoughts about Swedish production?
12. What are the ways that your brand has gone through transition from the year 2000 through 2009 and what are your future goals for the next 1, 3 and 5 years?
13. Have the choice of colors affected the way that people in Italy accept and promote your brand?
14. Is the relationship between Swedish and Italian technology good and how is it compared in Italian culture?
15. What is your policy to voice the retailers concerning services and customers?
16. How will being part of BMW benefit Husqvarna Motorcycles (HQM).
17. Will BMW help to bring HQM into a more strategic position in the market and if yes please give a few examples?
18. What was the primary reason of the acquisition and how has it been received by the employees of the company?
19. Has the German work ethic influenced the Italian work ethic in a positive or negative way and what are a few of the advantages and disadvantages of this?

**Martino Bianchi and Mrs Artoni on marketing, racing, the BMW acquisition, product quality and future goals.**

1. How long have you been writing the newsletters of the company and what impact has been on customers’ loyalty and their behavior?
2. What are the media sources to send the newsletters?
3. What is the increase of newsletters staring from 2004?
4. Since, the acquisition of BMW what are the primary changes that have taken place and what are a few of there goals in the near future? How to communicate with the new shareholders?
5. Through which magazines do you communicate?
6. What are your current limitations and challenges in communication strategy?
7. How do you try to reach the youths?
8. What do you do to attract customers’ loyalty?
9. What are the latest accomplishments that increased the sales?
10. How did acquisition with BMW impacted on HQM? Did you gain more respect in competition?
11. What are the goals you want to achieve for this year?
12. Who are the representatives of your company?
13. What is the perception of product and quality perceived be your customers?
14. What is key strategy of public relation for the last year?
15. What do you think about colors of HQM?

Mrs Radin; interview based on brand identity, marketing strategies, etc.

1. What is brand identity to you and why is it important?
2. Are you going to have standard in marketing strategy?
3. What were the problems of undefined strategy?
4. What is the impact of BMW to HQM brand identity?
Appendix 2

Figure 6 BMW's Brand Identity Strategy. Source: Brand Identity PPT Presentation at Headquarters of HQM