



JÖNKÖPING INTERNATIONAL BUSINESS SCHOOL  
JÖNKÖPING UNIVERSITY

# Brand Heritage

Helping Strengthen the Brand Identity of  
Husqvarna Motorcycles

**Bachelor Thesis within Business Administration**

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Tutor: Erik Hunter

Jönköping June 2009

## Acknowledgements

After three years of academic studies at JIBS with special focus in international management and marketing, I seized the opportunity to specialize my knowledge in brand management as I embarked on writing my Bachelor Thesis within Business Administration.

Husqvarna Motorcycles invited me to their company in Varese, Italy and let me study their brand identity redefinition process. I would like to thank my contact person Diego Arioli and the project leader Sara Radin as well as their colleagues at Husqvarna Motorcycles for sharing their time and this opportunity. I hope that my work will be of benefit to their project and that we remain in contact.

I thank Erik Hunter for his honesty and for letting me complete what I started.

Finally I wish to express my warmest gratitude to my nearest and dearest who supported me throughout the journey.

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Victor Gårdh, Jönköping, June 2009

# Bachelor Thesis within Business Administration

**Title:** Brand Heritage: Helping Strengthen the Brand Identity of Husqvarna Motorcycles

**Author:** Victor Gårdh

**Tutor:** Erik Hunter

**Date:** June 2009

**Key Words:** brand heritage, brand community, retro brands, brand identity, brand image, Husqvarna Motorcycles, BMW Motorcycles, Morgan Motor Company, Triumph Motorcycles

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## Abstract:

- Purpose:** The purpose of this thesis is to learn how brand heritage and retro brands can help HQM strengthen their brand identity.
- Background:** Companies with a long history have a strategic choice to make regarding the use of their heritage in marketing communications. Such companies also enjoy a history of interesting products, for which some may exist the possibility for a retro relaunch. Husqvarna is such a company, which made it interesting to find out how these two strategic tools can or cannot strengthen the studied company's brand identity.
- Method:** Through an inductive and exploratory case study with interviews of the personnel at Husqvarna Motorcycles, Italy, three theoretical areas emerged to be researched, brand identity, brand heritage and retro brands. The latter two required the help of real life examples for better understanding. The analysis had a deductive approach where the studied theory was applied to the companies, and conclusions were drawn from the accumulated knowledge to help strengthen the brand identity of Husqvarna Motorcycles.
- Conclusions:** HQM is a brand with heritage in the process of taking a strategic decision to use its heritage as a tool to strengthen the brand identity, hence on the way to become a heritage brand in the true meaning of the definition. As the oldest brand on the market, HQM can use its heritage to differentiate itself from the competition, creating uniqueness impossible to copy. A retro product can be a useful vehicle to carry the newly uncovered heritage to surface. With the help of theory and a real life example, a contender within the historical company product portfolio was recognized. Finally, the brand identity as stated by HQM was redefined according to the findings.

# Kandidatuppsats inom Företagsekonomi

**Titel:** Företagsarv: Att förädla varumärkesidentiteten hos Husqvarna Motorcyklar.

**Författare:** Victor Gårdh

**Handledare:** Erik Hunter

**Datum:** Juni 2009

**Nyckelord:** varumärkesarv, varumärkesgemenskap, retro-varumärken, varumärkesidentitet, varumärkesbild, Husqvarna Motorcyklar, BMW Motorcyklar, Morgan Motor Company.

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## Sammanfattning:

- Syfte:** Syftet med denna uppsats är att lära känna hur varumärkesarv och retro-varumärken kan hjälpa Husqvarna Motorcyklar förstärka sin varumärkesidentitet.
- Bakgrund:** Företag med en lång historia har ett strategiskt val att göra gällande användandet av sitt varumärkesarv i sin marknadsföring. Sådana företag åtnjuter också en historia av intressanta produkter, för vilka några det kan finnas en möjlighet till återlansering i form av retroproduktion. Husqvarna Motorcyklar är ett sådant företag, för vilken anledning författaren av denna uppsats fann intresse i att undersöka hur dessa två strategiska verktyg kan eller inte kan förädla det aktuella företagets varumärkesidentitet.
- Metod:** Genom en induktiv och undersökande fallstudie med intervjuer av personalen på Husqvarna Motorcyklar i Italien, trädde tre teoretiska områden fram att studeras djupare; varumärkesidentitet, varumärkesarv och retro-varumärken. De två senare begreppen fordrade verkliga exempel för bättre förståelse. Analysen antog en deduktiv ansats där den studerade teorin applicerades på fallen och slutsatser kunde dras från den ackumulerade insikten för att uppfylla syftet att förstärka varumärkesidentiteten hos Husqvarna Motorcyklar.
- Slutsats:** Husqvarna Motorcyklar är ett varumärke med arv som har påbörjat processen att ta ett strategiskt beslut om att använda sitt arv som ett verktyg till en starkare varumärkesidentitet och därmed är de på väg att bli ett arvsvarumärke i ordets rätta bemärkning. Som det äldsta varumärket i branschen, kan HQM använda sitt arv för att särskilja sig från konkurrensen, och därmed skapa en unikheter som är omöjlig att kopiera. En retro-produkt kan vara ett användbart medium för att bära det nyuppdagade arvet till ytan. Med hjälp av teorin och ett exempel från verkligheten identifierades en kandidaterande motorcykel från bolagets historiska produktportfölj. Slutligen omdefinierades HQMs varumärkesidentitet enligt resultaten från studien.

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# 1 Introduction

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*This chapter aims to describe the background of the project for Husqvarna Motorcycles, Varese, Italy, the problem they are facing and the purpose for this thesis. The author will further describe the questions needing an answer and the methods to do so.*

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## 1.1 Background

To fully understand the width of the researched problem and the possibilities that emerge for Husqvarna Motorcycles (HQM), a short introduction to its history is needed.

### 1.1.1 Husqvarna Motorcycles in Sweden

Husqvarna AB is an old company, with a history that stretches back all the way to 1689 when its first business, producing weapons, was established in Huskvarna, Sweden (Husqvarna AB 3, 2009). The business has changed many times over the 300 years, from sewing machines to kitchen equipment and on to bicycles, started in 1896. Already in 1912, Husqvarna had produced 100 000 bicycles and was considered a modern factory for its size in its time. Bicycles were nothing for the common man, and the Husqvarna models were pricy. Rather soon in their bicycle endeavors, in 1903, a 1,25 horse power engine was added to one of the bikes, and Husqvarna Motorcycles was born, making the Swedish company the oldest continually produced motorcycle brand still in business today (Fitzgerald, 2008). The first motorcycle with an engine produced by HQM was made in 1919, but no real volume was accomplished until the 1930's, and as in so many cases in the automotive business, their sales were dependent on their racing results, starting to show from the 1920's forward (Husqvarna AB 1, 1989) A lot of money, both own and oil companies' money, was poured into the racing activities but with very varying results. After years of good results in racing activities and therefore also sales, the company took a dive for it in 1935 and seized production, much due to the increasing availability of cars as an everyday mode of transportation (Husqvarna AB 1, 1989).

HQM would come back soon with a successful production of light motorcycles just before the Second World War put an end also to that. Post-war production was characterized by light motorcycles, mopeds as well as returning race activities. The Silver Arrow from 1955 was created to attract the young riders. Because of the favorable legislation during this era, sixteen-year-olds were allowed to ride these, as they were classified as light motorcycles. It was the dream bike of the Swedish youth and a milestone in their production history (Husqvarna AB 1, 1989).

The American market suddenly bloomed and 85% of the production quota was shipped over the Atlantic during the early 70's as the off road racing had taken off both in Sweden and overseas. During the best years, 9000 units were sold to America, around three times more than during recent years. (Husqvarna AB 1, 1989; Diego Arioli, personal communication, 20090223) The following oil crisis during the mid 70's scarred HQM as the sales dropped dramatically in the US. The glory days were short lived once again. Saved by the bell, HQM received orders from the Swedish military. The robustness and tested quality from years of racing experience, made HQM suitable for the tough environment the military use entails. This was in a time where Husqvarna AB was acquired by Electrolux AB, in 1978, during which the motorcycle department was separated from the main business, and Husqvarna Motorcycles AB was founded (Husqvarna AB 1, 1989).

### 1.1.2 Husqvarna Motorcycles in Italy

Only eight years after the Electrolux acquisition, the motorcycle business was sold to an Italian buyer; Cagiva in 1986, and Swedish press expressed its aversion to the idea that HQM was no longer going to be Swedish (Cucciolo, 1986). Electrolux was interested in the Husqvarna domestic equipment, not in its motorcycles, and in order to survive, the disconnected business needed the volume capacities of the much major Cagiva (later MV Agusta) in order to beat the upcoming Japanese manufacturers. The last Swedish-produced motorcycle was rolled out of the factory in December 1987. The brand Husqvarna was well established in USA and Europe, and was therefore decided to be kept (Husqvarna AB 1, 1989).

Ever since the immigration, HQM has been ‘conceived, designed, and created entirely in Italy’ (Husqvarna Motorcycles Website, 2009). On July 19, 2007 Bayerische Motoren Werke Motorrad (BMW) signed for the acquisition of Husqvarna Motorcycles from MV Agusta S.p.A. to be included in their product portfolio however remaining as a separate enterprise with its own brand unchanged (Webbikeworld, 20070730).

## 1.2 Problem Discussion and Research Questions

People tend to look in their past to understand who they are today (Hobsbawm & Ranger, 1992). As there is no man without a past, there can be no company without a history, be it long or short, consistent or cut off by interruptions in the past. Although not as developed, the research on the historical factor of what influences our present applies also to companies, and to an increasing extent so. Therefore, it is more than plausible also for companies to do the same; look into the past to know one’s identity today and possibly also one’s future. The corporate history can be used both for internal and external use, and is used by companies in their communication of tradition, the story behind the company name, age of the firm, in presentations, advertising, on websites, and when talking to both employees and customers (Lundström, 2006).

Not only age, but financial resources and size are factors to what extent a firm can use its history, which in turn might set the stage for what types of historical references are likely to be displayed. (Blombäck & Brunninge, unpublished manuscript). HQM is a small company, and before the acquisition by BMW Motorrad in 2007, the company was in bad shape. The marketing department was insufficient under the previous owners and the fact that HQM was only part of a portfolio, although being a separate company it was hardly treated as such. Few if any connections to the true heritage of the company were left, and the resources needed to regain this knowledge were substantial and out of the question prior to the 2007 acquisition. HQM has together with BMW brand strategists conducted a thorough research regarding the redefinition of the brand identity, which they call the Fried Egg. One dimension of the brand identity model is the history of the company, which HQM need help to define, but before involving the company’s history, the author need to know what the current brand identity of the company is. Together with an understanding of the company’s past the author can then answer the first research question:

*What is HQM’s brand identity today and how well does it reflect the company history?*

All brands also have a history. As we can see in many companies, the history of the firm is selectively used as a tool to leverage certain values, with various degrees of effort. Some companies might choose not to bring forward their past; some might fail in doing so, and some, for which the author intend to provide examples, succeed in strengthening their brand identity through heritage, often with the use and help of a retro product. Some companies *are* true heritage brands and live off their history, whereas other companies *have* brand heritage, and manages it with vari-

ous success. Studying contenders to true heritage brands, the author aims to answer the second and third research questions:

*How do companies with a history use its heritage to strengthen their brand identity?*

*What are the commonalities for these companies and in the theory, and what patterns apply?*

HQM is an old brand from 1903 and have thus celebrated their centennial anniversary. They are certainly old enough to qualify, but, knowing the commonalities for companies with a history, and the theory to identify these traits the author will evaluate if HQM can actually be called a heritage brand or, more commonly, a brand with heritage.

*Is HQM a heritage brand or a brand with heritage?*

One can conclude that HQM has experienced an uncertainty around their brand image, something that is now addressed by the new owners; BMW Motorrad. Being a historical Swedish brand, with Italian and now German owners, and its main operations in Italy, HQM finds its brand lost in translation between the series of acquisitions with different nationalities during the last 32 years. Resources are now being devoted to brand management and marketing cultivation, which has resulted in a draft of the redefined brand identity. The author will evaluate how well HQM, with the help from experts at BMW Group, has made room for its brand heritage to influence the brand identity communicated today.

HQM is, and has historically been, very successful in its various endeavors of racing on and off road and is considered a quality brand in the upper price range. This they know and understand how to use, but their history is not only racing. Husqvarna Motorcycles has a long line of motorcycles that has made an impact also on amateur riders on road, especially bikes from the 50's and 60's are noted as important to the company's image. If HQM is serious in its ambitions of learning from its history, also the notion of retro branding seems closely related, which is why the author includes a fifth research question:

*Can a retro product be a useful vehicle for HQM in order to uncover its heritage?*

The scope of this thesis will be on displaying the theory written on the connections companies make with their past, as well as try to see commonalities both in this theory and in real business life. As a practical help in re-connecting HQM to its earlier days, the author also introduces the notion of retro products and, with the help of a real life example of a successful retro brand revival, discuss whether this is a practicable strategy for HQM to symbolize their "newfound" heritage.

**The problem, thus, is threefold; for HQM to strengthen its brand identity it needs greater insight in what it entails; and from the wishes in finding the heritage, this demands knowledge in how to use it; and thirdly, to find out if a retro model of a historically important Husqvarna motorcycle is a practicable way to embody the revival of the HQM heritage.**

### 1.3 Purpose

The purpose of this thesis is to learn how brand heritage and retro brands can help HQM strengthen their brand identity.

## **1.4 Delimitations**

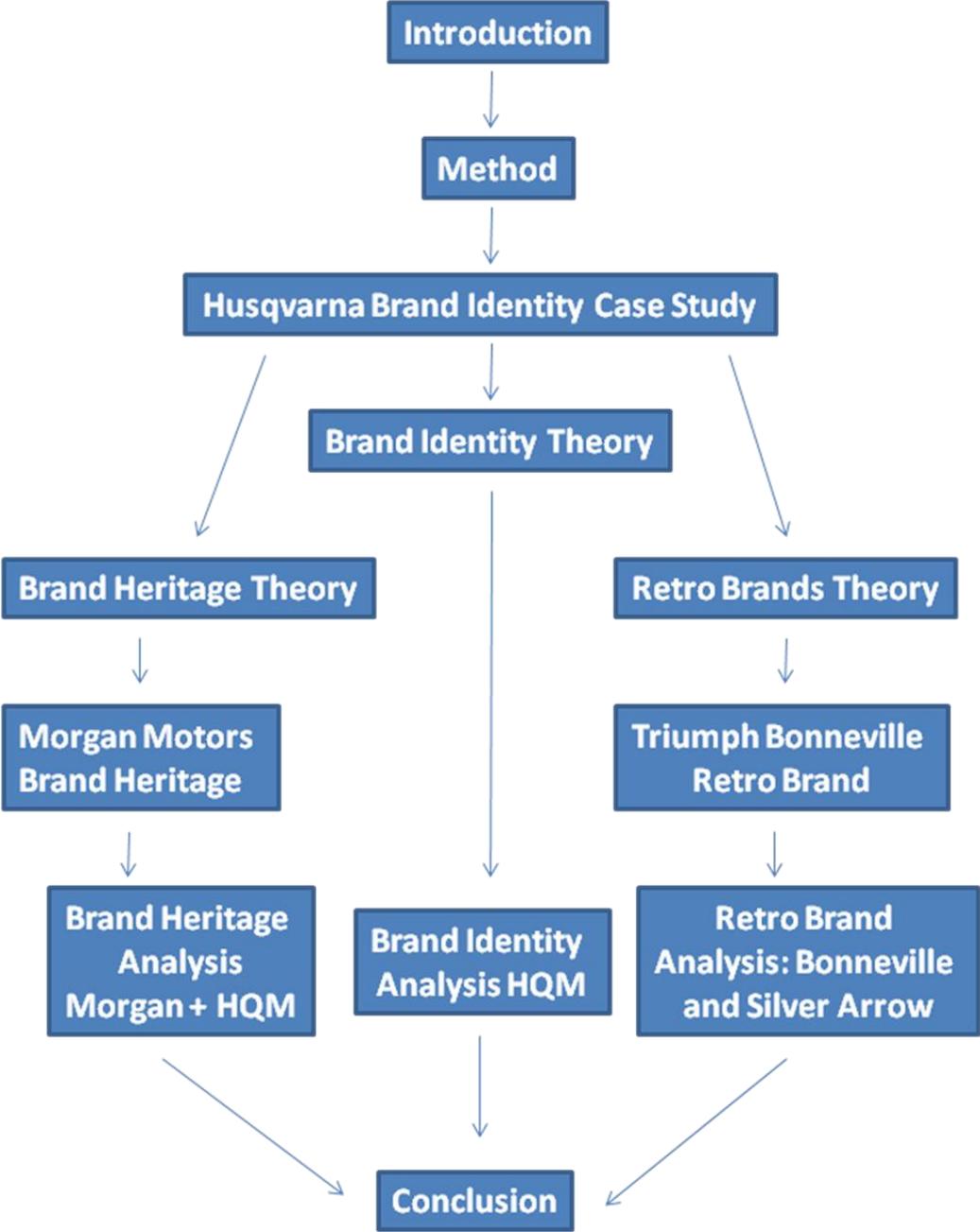
I will refrain from writing about brand acquisitions, as this would inevitably turn the perspective to that of BMW's. That would be an interesting approach, but the scope of this thesis allows me only to look at HQM's actual abilities to use their history in their brand identity. I can only stretch so far as to conclude that no such research would have been made possible, without the expert team and financial resources from BMW. They do of course have to maximize the potential of their newly acquired brand, and they are doing so in a most professional and thorough way, obviously interested in what role HQM history plays today. I will disregard from the complications HQM faces in most countries, that both motorcycles and Husqvarna outdoor power equipments are sold under the same name.

## **1.5 Contributions**

The ambition of the author's work is to contribute to the brand identity definition process of HQM specifically. However the connections made between the studied theory and the three real life examples presented may prove helpful to companies with similar problems on the one hand, and raise new academic problems for students to research on the other.

### 1.6 Overview

The alternative approach of this thesis demands the thorough explanation given in the method chapter. The following outline gives an overview of how this thesis is structured. Having been introduced to the subject and problem of the research as well as the method used, the author presents the studied company in an in-depth case study with semi-structured interviews. The study was supported also by secondary data such as internal documents provided by HQM. The data collection chapter is followed by a thorough theoretical discussion and together with two illustrative examples identified along the research, these three parts merge in the analysis chapter. In an effort to fulfill the purpose for HQM, the author attempts to reach an educated conclusion on the possible opportunities for HQM to pursue.



## 2 Method

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*The method chapter is purposefully placed before either theory or data is presented, for which academic reason is explained below. The author aims to guide the reader to the main data collection of the HQM case study.*

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*“Science is a journey, not a destination.”*  
(Evert Gummesson, 2000, p. 90)

### 2.1 Research Approach

In the researcher’s work to connect the empirical findings to theory, the approaches to this task are threefold; deductive, inductive and adductive (Patel and Davidson, 2003). A deductive approach would begin in the theory, which will guide the remaining research process, whereas induction embark on an empirical investigation of a real phenomenon, from which observations and analysis will lead the researcher to statements and theoretical conclusions.

For this thesis, the author has used a combination of the induction and deduction, where the inductive approach was motivated initially for an in depth understanding of the studied motorcycle company. Having seen the inside of the company through satisfactory data collection, a theoretical discussion emerged in order to provide a foundation for a deductive approach to the studied company, and two new illustrative examples of companies who had overcome or successfully managed the problems HQM is facing. This was done for the purpose of helping strengthen the brand identity of HQM. This is what Coffey and Atkinson (1996) would call an adductive, sometimes abductive, approach, where the inductive approach of the initial stage is combined with deduction introduced further into the research and the iteration between the two approaches. As a more suitable outcome for the purpose of this thesis, company specific suggestions rather than theory was developed, in line with deduction. It was a necessary and interesting way of work to gain a broad and deep understanding of the problem and uncover potential opportunities for Husqvarna Motorcycles to pursue.

### 2.2 Research Method

The two broad methods available are quantitative and qualitative data collection and analysis. A quantitative research is often used to measure statistically significant differences and in this way be able to generalize, whereas a qualitative research brings the research to a personal level and can include feelings, culture, emotions, behaviors, nationality among other parameters, to give a more nuanced view of reality (Hussey & Hussey 1997; McDaniels & Gates, 2005; Corbin & Strauss 2008). Holme & Solvang (1997) among others claim that the qualitative research is less formalized than the quantitative and will therefore let the researcher gain a deeper understanding of the studied problem (Taylor and Bogdan, 1984), and that the possibility to interpret opinions of a certain issue is the core in a qualitative study (Patel and Davidson, 2003). Qualitative research is often connected to a data collection method with open information flow, where the object of research is given the ability to be descriptive in the information delivery, much more so than what is possible in e.g. a survey, more suited for quantitative research (McDaniels & Gates, 2005; Hartman, 1999; Holme & Solvang, 1997)

## 2.3 Research Tools

Several sources of information were used to create a thorough understanding of the investigation at hand and the ability to answer the purpose of the thesis.

### 2.3.1 The Case Study of Husqvarna Motorcycles

The author has chosen to study a real life problem at a certain company. Therefore, a case study research was motivated. The case study selection process became reverse, as the author was in contact with the company before the research problem was established. The possibility for an in depth study with complete access was promised, which vouched for an interesting research.

A case study is a term used when studying a single or small number of individuals, organizations, or situations in depth (Patel and Davidson, 2003; Yin, 1994), and Gummesson (2000) notices its increasing importance as a tool used at many universities in doctoral theses dealing with management, marketing, strategy and organization. The same author also distinguishes between the two characters a case study can adopt; either the role to derive general conclusions or as in the case of this thesis, to arrive at specific conclusions regarding a single case with particularly interesting case history. Yin (1994) would add to this the usage of single case studies to either confirm or challenge one or more theories on the subject.

Case studies are often preferred by researchers investigating current events. This means an empirical research of a current problem or phenomena in a real setting, especially when the boundaries between the phenomena and its setting are unclear and the use of several sources of evidence are used. The study can be delimited with a clear purpose however the goal is to get a broad and deep understanding of the studied phenomena (Yin, 1994). Lundahl and Skärvad (1992) add the importance of studying the case(s) from several different perspectives. Further, they claim the case study needs focus and limitation through a well defined purpose and the literature that penetrate the subject.

Case study as a methodology has been frequently criticized, especially in its early days as it emerged in a time when quantitative methods were dominating the research scene. More specifically a single case study lacked the ability to provide a generalizing conclusion (Tellis, 1997) and its importance should be considered microscopic (Giddens, 1984). Yin (1994) would argue the case study research's task is not to be generalizing but provide the parameters to later be applied to all research. As a complete opposition to this, generalization in a social context is not meaningful at all according to several authors (Gummesson, 2000). Yin (1994) is also known to encourage multiple case studies, as they provide strength and meaning to the theory with logical patterns. However, authors in the field seem to agree that case studies do not need a minimum number of samples to study, nor selecting them at random, as each researcher has to manage whatever scenario emerges (Tellis, 1997). The study can be descriptive, exploratory or explanatory, and each can be multiple or single case studies but the choice will pervade how the research is designed. With the described situation, the study of Husqvarna Motorcycles required an exploratory nature, and data collection can, according to Yin (2003b), be undertaken prior to research questions are confirmed, and therefore also the chosen approach for this thesis. An exploratory study also has a purpose, rather than propositions, on which the result is evaluated. (Yin, 2003b)

Supporters of case study research often use triangulation as a strategy to ensure accuracy of collected data. Within a multi method qualitative study this can be accomplished without collecting quantitative data (Saunders et. al, 2007) but rather using multiple sources of data (Yin, 1984) or with several investigators, theories, and methodologies (Snow & Andersson, cited in Feagin, Orum & Sjoberg, 1991).

How to analyze, interpret and link the data to the criteria is the least developed aspect of case study research. Few written and commonly accepted techniques are available, of which Yin (2003) present three; theoretical hypotheses, rival explanations and case descriptions. Having started the research with an inductive approach and thus begun with data collection prior to theory discussion, the author cannot introduce a theoretical hypothesis on beforehand. However, this case study has been conducted in an adductive way, why introducing the theoretical proposition after the data collection makes sense as a deductive element and goes well in hand with Yin's approach of arriving at specific conclusions regarding the case.

### 2.3.2 Primary and Secondary Data

The primary data have been collected through the interviews as described in depth below. The secondary data was either given to the author as DVD:s, Power Points, printed Power Points and pictures of advertisements from the past, or retrieved by the author in the form of books on the studied theories, books on the companies' history, other theses, and websites such as Google Scholar which helped find vast amounts of marketing and management articles on the subjects.

The information that HQM gave to the author was:

- An Italian *Corporate Identity DVD* with information of how the retailer must use the company profile, which was interesting if used in combination with what was said during the interviews. Used for understanding purpose mainly.
- The *Wheel of Fortune* Power Point, which contains an overview of the value words used in campaigns from 1903-2009. Even if this document needs more thorough work, it still had a purpose for the overall understanding of what the focus has been on in the marketing campaigns of the past.
- The *Brand Identity Workshop* document is a Power Point with valuable information on which questions BMW Strategists asked HQM in the brand redefinition process and the answers HQM has collected in the document. This info was valuable in the analysis of how consistent the written brand identity is with the spoken, and how well they have used the concept.
- The *Partnership Guide of 2008*, which is an eye-catching brochure for new and existing retailers. It clearly shows a new and defined profile of the company, which could be used in comparison to interviews with the marketing department.

## 2.4 Research Procedure

The author developed a general idea of the scope of the research, where brand identity, brand heritage and retro brands were the topics of certain interest. No deeper theoretical research was done in any of these areas before the data collection began.

*“Within qualitative approaches to public relations and marketing communications research, interviews are a useful form of data collection because they allow you to explore the perspectives and perceptions of the interviewees”* (Daymon, 2002, p 166).

The author was invited to the HQM premises in Cassinetta, Varese (VA) Italy together with a fellow researcher from JIBS with whom the data collection from Italy was conducted and shared. Diego Arioli, Technical Assistant of the CEO, was our contact person, and Sara Radin; Marketing Department, the project leader of the brand identity redefinition project. During a week in

February; 23<sup>rd</sup> to the 26<sup>th</sup>, interviews were carried out on six of the employees at HQM. Together with Diego Arioli, a schedule was set up for the week, with sessions for the most interesting participants, chosen according to their different angles in the interpretation of the HQM brand as well as their availability. The management, marketing and sales parts of the company were made aware of the reason for the Swedish students' presence, as HQM also had an interest in the research findings.

#### **2.4.1.1 Interview Structure**

Between unstructured and structured interview the semi structured interview can be found. This form is according to Merriam (1994) the one to prefer when similar information needs to be collected from several respondents. The interview embarks from a set of key questions, and from these the respondent can answer freely. This way a good idea of what the respondent's opinions are gained. Depending on how structured the key questions are, the semi structured interview will take on a structured or unstructured nature. (Darmer & Freytag, 1995)

The general aim for the interviews was to have a greater understanding of how the subjects interpreted the brand identity; yesterday, today and the development for the future. For this purpose, a semi-structured interview style was used, where similar but not identical questions were asked the respondents, who were given the possibility to leave in-depth replies if needed. The semi-structured interviews go hand in with the qualitative research approach adopted (King, 2004). The variations in the respondents' answers were expected and the basis for much of the analysis.

The final formulation of the questions, found in the appendix were made just before meeting with the interviewees, as they had to be tailored to the different parts of the organization and its representatives. Trying to motivate the participant, the author set the interview in line with open questions, as this might reveal attitudes and facts that might have been left out otherwise. Thus, questions like, "how", "what" and "why" were include (Grummitt, 1980). Using probing questions, both a greater understanding of very technical or industry specific issues, as well as deeper descriptions of key issues within the organization etc was obtained.

The weakness of the above approach was that many of the questions, and with them, much of the information gathered became redundant afterwards, when the author started delimitating the scope of the study. This is the reality when choosing a method where data collection precedes the confirmation of the study's research questions to be answered (Yin, 2003b).

The base questions found in the appendix were asked during the week in Italy. Many are similar to each other and many were not used for the direct purpose of this thesis, however were very important to the overall understanding of the very interesting company. Many of the questions around the brand identity were deliberately asked to several of the employees from different angles and with different formulations. The questions are therefore not the only ones asked, and not the exact formulations. They served as a basis for the semi-structured interviews.

#### **2.4.1.2 The Interviewees**

Diego Arioli works closely with the CEO and had gained good understanding of the development of the brand identity strategy when HQM was working with closely with BMW, and he therefore represents the management for the purpose of our interviews. Sara Radin, the project leader, is also responsible for the marketing department and thus handles the marketing campaigns, she therefore was "closest" to the brand identity as it influences her every day work. Massimiliano Mucchietto is the Director of Marketing and Sales; from a strategist position he gave a broader image of the brand situation and proved to deliver an interesting viewpoint. Martino Bianchi is the racing legend of the company, with immense knowledge in the off road market and racing. He contributed to a deeper understanding of exactly how important racing is to the brand.

So did his colleague Federica Artoni, knowledgeable in PR, working closely with the racing department and the motorcycle press. A shorter meeting was held with Marco Lattuada who represented the After Sales department. He gave an insight in the retailers' situation.

In total almost nine hours of interview material was collected from the following interviewees:

Table 1: Interviewees at Husqvarna Motorcycles

Interviewee	Position	Date	Duration	Language
<b>Sara Radin</b>	Marketing	26.02.09	1h20min	English/Italian
<b>Diego Arioli</b>	Technical Assistant to CEO	23.02.09	2h30 min	English
		25.02.09	1h 10 min	
<b>Massimiliano Mucchietto</b>	Director of Marketing and Sales	26.02.09	1h	English
<b>Martino Bianchi</b>	Communication And Racing Activities Manager	25.02.09	1h10min	English/(Italian)
<b>Federica Artoni</b>	Press Office And Racing Dept.	25.02.09	1h10min	English

For the simple reason of readability of the text the author will avoid the common form of exhaustive in-text references the personal communication of each respondent. As the references are many and often more than one in each sentence this method will ease readability. A fictive example will explain how this was used:

*Having red bikes instead of blue, will make Italian people feel more passionate about the brand, (N. Surname, personal communication, 20090225) but will also be considerably more costly to produce (N. Lastname, personal communication, 20090225)*

Using the pseudonyms will not mystify who said what and when. Using many names can be confusing to the reader, which is why representative titles may show better from which point of view a matter was commented on. If the name would still be in the text, the pseudonym will follow in parenthesis before the next full stop. When referring to any of the above respondents, the author will be using the following pseudonyms:

Table 2: Pseudonyms for Interviewees at Husqvarna Motorcycles

Interviewee	Position	Date	Pseudonym
<b>Sara Radin</b>	Marketing	26.02.09	<b>Marketing</b>
<b>Diego Arioli</b>	Technical Assistant to CEO	23.02.09	<b>Arioli 1</b>
		25.02.09	<b>Arioli 2</b>
<b>Massimiliano Mucchetto</b>	Director of Marketing and Sales	26.02.09	<b>Director</b>
<b>Martino Bianchi</b>	Communication And Racing Activities Manager	25.02.09	<b>Racing</b>
<b>Federica Artoni</b>	Press Office And Racing Dept.	25.02.09	<b>Press</b>

English was the shared second language of the author and the interviewees. Overall, the language skills among the participants were not a problem as many of the interview subjects were used to the international arena and spoke English well. However, with one of the key interviewees the author had to make an important choice of language to use during the session. The subject's English was sufficient but conducting the interview in the native tongue, Italian, would give a more exhaustive result, and this was the request by the subject as well. The risk of misinterpretation was ruled out as the full interview was audio and video-recorded which gave the interviewer the possibility to translate the findings, correct and double check as many times as necessary afterwards. No external translator was considered needed for this task as the author had gained moderate but sufficient skills when living in the country for half a year. The risk of getting colorless answers in the more challenging tongue of English was greater than risking to not understanding the answers given by the interviewee. In order not to alter the meaning of these, the interview questions remained in English, although a translated version of the questions was handed to the interviewee in advance.

This approach required careful recording of the answers, which was done through audio, video and note-taking. Recording interviews is a method that has both advantages and disadvantages (Easterby-Smith et al., 2002; Ghauri and Grønhaug, 2005; Healey and Rawlingson, 1994). These authors mention the following advantages and disadvantages, for which author of this thesis describes how the disadvantages were handled:

Table 3: Advantages and Disadvantages of Audio and Video Recording

<i>Advantages</i>	<i>Disadvantages</i>	<i>Overcoming Disadvantages</i>
<b>Allows interviewer to concentrate on questioning and listening</b>	May adversely affect the relationship between interviewee and interviewer (possibly of “focusing” on the audio recorder)	The reason for the audio-recorder was clearly described and the interviewee was offered to sign a letter of confidentiality for them to feel more comfortable.
<b>Allows questions formulated at an interview to be accurately recorded for use in later interviews where appropriate</b>	May inhibit some interviewee responses and reduce reliability	No such behavior was identified, the respondents were overall clear, specific and exhaustive in their responses.
<b>Can re-listen to the interview</b>	Possibility of a technical problem	An audio recorder, a digital photo camera with video function for backup and a digital video camera as the main recorder, even if two units would fail, successful recording with the third option was possible.
<b>Accurate and unbiased record provided</b>	Time required to transcribe the audio recording	Equals the time needed and simplifies the work to summarize the findings of any other form of recording.
<b>Permanent record for others to use</b>		

## 2.5 Research Analysis Method

Processing qualitative data is a procedure that involves collecting, structuring and analyzing the received data (Marshall & Rossman, 1999). This proved to be a time consuming process which demanded considerable work in order to present the data in a credible manner. High credibility in the data is desirable in order to also conduct credible interpretations, comparisons and conclusions (McDaniels & Gates, 2005).

Starting with selecting, focusing, simplifying, abstracting, and transforming the data into a manageable quantity the process continued with converting the interview audio and video to a narrative text, and where the author thought needed, direct quotes, a method supported in theory (e.g. Miles and Huberman, 1994). For this reason the reader will find descriptive text of what has been discussed and described during the interviews, as well as important statements on certain important topics. Special care was taken in order to avoid adding own ideas or comments in the text, but rather gathering them in a parallel document to be used in the analysis section (Hussey & Hussey, 1997; Marshall & Rossman, 1999). Data display is the next step according to Miles & Huberman (1994), where the data is compressed in order to ease understanding of the data, find patterns and interrelationships for the development of a discussion. Rather than creating a matrix as such or in another way mixing the data, it was organized according to a given internal model of the brand identity. A similar pattern was then used in the discussion chapter, where the branding

theory was applied to the collected data. Having initially used an inductive approach to identify suitable theory for the situation at HQM, the very same theory was used deductively in a pattern matching approach in the analysis to find explanations to the findings (Yin, 2003). From the data collection two other aspects emerged; those of heritage and retro brands. A theory discussion on each of these areas was needed to identify clear and living candidates to a heritage brand and a retro brand respectively. The assessment of whether they qualified as such also helped identify patterns and possibilities within HQM.

The purpose of the thesis, to learn how brand heritage and retro brands can help HQM strengthen their brand identity, is the reason for this approach.

## 2.6 Validity and Reliability

According to McDaniels and Gates (2005) validity and reliability are two important concepts to consider when an investigation is conducted, qualitative or quantitative the like, as these act as verifiers of the credibility of the report and the conclusions made. The validity of the report requires the measurement of what is actually meant to be measured and nothing else (McDaniels & Gates, 2005). Saunders et al. (2007) clarify that this goes also for “the extent to which research findings are really about what they profess to be about” (p.614). In the case of this thesis this meant asking the right questions to receive valid and useful information from the respondents. Due to the ambition of seeing the large picture of a company that the author had never had contact with before, many of the questions asked were interesting and educative, however was excluded from the result part as they were not used directly to fulfill the purpose of the thesis.

Reliability is the measurement method’s ability to resist errors and bias in the data collection process. Easterby-Smith et al. (2002), suggest three self assessment questions to ensure reliability:

- Will the measures yield the same results on other occasions?
- Will similar observations be reached by other observers?
- Is there transparency in how sense was made from the raw data? (p.53)

As the brand identity redefinition process is an ongoing one and the uncovering of the company’s heritage just commenced, a new research team would likely see different results communicated from the employees as well as from internal documentation. This should not be the case however if it was done within the same week as this research was done as no changes were done to the identity formulation. Robson (2002) describes the subject or participant bias as a threat to the reliability, and exemplifies this as a situation where risk is that the respondents say what they think their boss wanted them to say. The author expects this to not be the case for this thesis, as he was invited by the company for the overall purpose of contributing to their brand identity process. Therefore the respondents, the author argues, should have less interest in holding back in their answers. This may have been more problematic in an environment with authoritarian management style, and the author would have chosen to anonymize the respondents. The author has no reason to believe any of the questions were too intrusive; also no question was left unanswered due to wishes from the respondents or their inability to answer them.

As mentioned before, the data collection was done in collaboration with a fellow researcher, where both prepared and asked questions to the respondents. Having two different ways of asking questions can potentially create risk of observer error. This was avoided through letting both researchers ask the questions needing answers as well as being present during all but one interview respectively, when the researchers covered for each other to match the respondents schedule. For that reason, questions to be covered during the respective sessions were exchanged on

beforehand. Being alone during the writing process, the author had to be careful when interpreting the answers given by the respondents (Easterby-Smith et al., 2002) as there was no colleague to discuss the data with. 'What is actually being said here?', was a common reflection.

### 3 Data Collection

*As a basis for the discussion of the brand heritage possibilities for HQM, a basic understanding of how far HQM has gone in their brand identity process is needed. For this reason, the following section includes the findings from interviews carried out in Italy, the internal documentation of the branding process provided, interviews from other projects.*

#### 3.1 History of the Brand Identity and Marketing Campaigns

HQM has created an internal document called the “Wheel of Fortune” in which marketing campaigns from the past are collected and the communicated key attributes and values around the brand in each era of the company’s history are summarized. Although no conscious decision on a strategic brand identity has been taken in the past, the following table gives an overview of what values have permeated the marketing campaigns and how the respective owners have positioned the brand. It will be used in the analysis of the brand identity further along.

Table 4: Communicated Value Words Over the Decades

<p><b>1903-1939</b></p> <p>Speed Victory The best Straight Forward Racing Machine Superior Grand-Prix Successful Self confident Exciting</p>	<p><b>1940-1949</b></p> <p>Secure Trustworthy Reliable Performance Quality</p>	<p><b>1950-1959</b></p> <p>Dream bike Success Victories Reliable World Class Youth Daredevil Revolution New Generation Bang-machine</p>	<p><b>1960-1969</b></p> <p>Champion Dream machine Brand for champs Victories Revolution USA Successful Sporty Tough Available Admired</p>
<p><b>1970-1979</b></p> <p>Attention For winners For everyone Daring Exciting</p>	<p><b>1980-1989</b></p> <p>Dream Technical Precision Quality Striking Champions Winning</p>	<p><b>1990-1999</b></p> <p>Champions Winning Team Spirit Weekend Enjoyment Play Different</p>	<p><b>2000-</b></p> <p>Race Different Thrilling Quality Technical Solutions Design Winning Community</p>

Summarized from the internal document “Brand Identity - The Wheel of Fortune”, Husqvarna Motorcycles, 2008

### 3.1.1 Brand Management under Cagiva Ownership

During the Cagiva era, the managers took all the marketing decisions themselves, something Sara Radin explains was not sufficient (Marketing). The responsible had great expertise in the bikes, but not in marketing and how to communicate the values of HQM (Marketing). A common situation would be where a retired professional rider would become responsible for the marketing of the bikes. Sara Radin explains that her old boss was very passionate about the MV Agusta and Cagiva brands created by the Castiglioni family (Marketing). Having HQM in the same portfolio was only beneficial in terms of completing the product range and thereby cover several more market segments (Marketing). To Mr. Castiglioni, HQM was sure business so the money made from HQM was poured into marketing the MV Agusta or Cagiva brands (Marketing). Massimiliano Mucchietto, Director of Marketing and Sales, describes the marketing before BMW as desperate attempts not to go bankrupt. Desperateness created inconsistency in the marketing efforts which hurt the brand, he says (Director).

Only one explanation to why HQM during a period was the cash cow of the portfolio remains to employees; Mr. Castiglioni provided a little bit of money to the racing activities of HQM, which fortunately proved to help the brand stay above surface (Marketing & Director).

To summarize, there was no proper marketing department, and those who did handle the marketing activities were not fit to do so. Add to this the financial problems of HQM, and marketing activities became the first area to start cutting costs (Marketing & Arioli 1). Despite this, the marketing campaigns that they did produce were very nice, according to Sara Radin. However, the lack of strategy behind it made the communicated values sprawl in every direction. One year they were a family business, the next year they were the winners' brand, and the third year they produced your weekend off road cruiser. There was no consistency - even the predominant colors of the campaigns kept changing from e.g. yellow to blue and the brand itself was altered with in terms of color and dimensions (Marketing).

Looking at the marketing campaigns from the 90's, they clearly showcase the desperation and lack of a well defined brand strategy (Marketing). The paroles range from "*we enjoy winning*", when they did so, and when they did not; to "*weekend enjoyment*". "*There was no clear strategy at all in the company*" (Arioli 1), something that not only the technical assistant, but the whole marketing department, expresses. The owner during this period, Claudio Castiglioni of Cagiva<sup>1</sup> is the savior of Ducati, and in a way also HQM (Marketing), as the Swedish press at the time of the acquisition thought it would otherwise go bankrupt (Cucciolo, 1986). Having said this, the employees describe the HQM brand management under Cagiva ownership as strategically not very efficient (Marketing). As the two Italian brands were the own creation of the Castiglioni family, the management held them especially dearly, something that made the newly acquired Swedish brand put in the dark. During this period, the marketing department of HQM was not given sufficient resources for its normal operations. Sara Radin explains that HQM was not able to create a marketing strategy, due to the financial insufficiencies and the lack of a proper marketing department as such (Marketing). This goes also for the brand identity, which is a new concept to HQM, but which was developed and used for the Cagiva brand under the responsibility of Sara Radin (Marketing). Even though Swedish heritage was not at all used in the post-immigration marketing communications, the Swedish colors of blue and yellow were in fact introduced as a quiet celebration to the company origin (Racing).

In 2006 things were looking dark for the brand. The acquisition by savior BMW "*really put us in the spotlights*" (Press). The effect was felt almost overnight after the deal was sealed. The produc-

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<sup>1</sup> Cagiva as a name consists of the first two letters of Giovanni Castiglioni, Claudio's father name, surname and the town it is based in, Varese. ([http://www.cagiva.it/vti\\_g6\\_or.aspx?rpstry=174](http://www.cagiva.it/vti_g6_or.aspx?rpstry=174))

tion and sales has increased by 30% in 2008, although the market at large even declined slightly (Press; Husqvarna Motorcycles & BMW Group, 2008). In terms of gained respect, HQM won races even when they were on the verge of bankruptcy, but having more money never is a disadvantage in the racing circus. The real effect from the takeover was with “*the customer and the public and probably also the other manufacturers; they were very curious. When we were broke we were no competition for them, but now we are. ‘Oh, they are moving on’*” (Press).

BMW had a very professional approach to the brand strategy of HQM, and initiated the historical research rather soon after having bought the company. The research started in Munich where the BMW Group management has a dedicated brand strategy department of fifty people who also stand behind the successful re-launch of the MINI Cooper. Their work resulted in the drafted brand identity of HQM described in the following section (Arioli 2).

### 3.2 Current State of the Brand Identity

#### 3.2.1 HQM Corporate Identity

During 2008 the company took a good look at their corporate identity and defined how they want their retailers to display the HQM brand. It

Picture 1: Husqvarna Motorcycles Corporate Profile

resulted in internal documents and a “Corporate Identity Kit” where the retailer can find all the requirements from HQM in terms of posters, colors, logos, banners, display of products etc. The retailer is taught what values to focus on and what strengths in the product to bring forward in order to present the HQM brand in the best way possible. This is done during



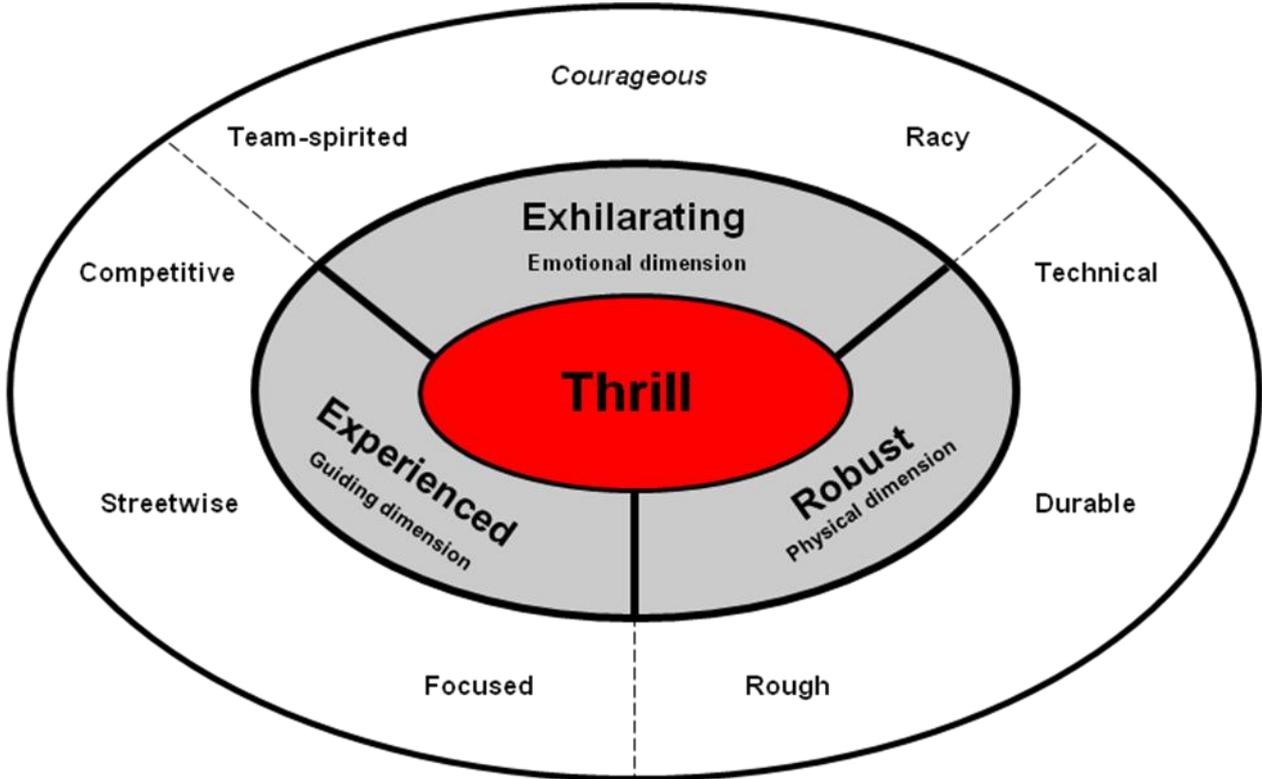
workshops at the HQM premises in Cassinetta. The corporate identity is more in terms of how the retailer looks, how a customer spots a Husqvarna dealership. The roll out phase of the actual *brand* identity has not started, according to Diego Arioli. As the brand identity is not finalized internally, it has not been used externally (Arioli 2).

#### 3.2.2 HQM Brand Identity: The Fried Egg Model

HQM needed to come to terms with their brand identity as one of the requirements from BMW Group. They set about to do this with the help of a proven methodology developed and used by BMW strategy department in Munich, for the acquisition of the MINI Brand (Arioli 1). They wanted to know the history of the brand, starting from the foundation. They wanted to learn how the brand was perceived back in the day, through internal documents, interviews, marketing campaigns and retailers’ knowledge. One of the first steps was to visit the museum and its former company archive. Diego Arioli, Technical Assistant of the CEO was the initiator of this research. A secondary reason for the research was to collect enough info along the way to also write a book on the history of HQM, besides defining the brand identity (Arioli 1).

The Fried Egg model or the brand identity strategy is the current product of the brand identity definition process and the summarizing symbol of what HQM wants to communicate. This model was created in collaboration between BMW Group and HQM. Diego Arioli explains: *“It contains the strategy of the communication towards the final customer”* and if HQM makes the same mistake as Cagiva did, and fluctuate from this strategy, it will only create confusion in the communication, both internally and externally (Arioli 1). It incorporates HQM’s attempt at creating an identity that aims to represent the actual brand image that the customer has of HQM. They realize that in order to make this identity effective, it needs to be clearly and thoroughly founded in the mind of all the people involved; the sales personnel talking to the dealers, the technical manager speaking at the fair, when the victorious rider of the official HQM team sits down at a press conference, and when the dealer talks to the end user (Arioli 1).

Figure 1: The Fried Egg Model by Husqvarna Motorcycles, 2009



**3.2.2.1 The Core of the Brand**

When BMW bought HQM they decided for the off road brand to be an aggressive one – *thrilling*, a brand of strong personality, synonymous to passion and racing. To live up to this reputation, they decided for some things to change. Among these was the slogan, which had been “Play Different” under the Cagiva ownership. BMW was very certain what they wanted with HQM; to be the winning brand in off road racing. To do so, they said, “we don’t play, we race” (quoted by Marketing). HQM describe it as a tremendous transition and a serious change in strategy, with a lot more thought behind it: “The target of the company is to become the main actor in the off road market. It is the common denominator” (Marketing).

“What we can feel is that, despite the big financial problems in the past, HQM is for sure a brand which stands for adrenaline, sport, agility – even if it is the oldest manufacturers in the world, it is perceived as a fresh and young brand” (Director). This, he explains, is because it has been pro-

ducing racing products throughout the history of the brand. They have been “*building fun bikes for the youth*” and he clarifies; “The brand stands for youth, if you like”. The target group is young people racing or using racing bikes to ride off road (Director).

Diego Arioli: “The central communication has to be that HQM is **Thrilling**. It is close to the racing experience, when you buy an HQM – even if it is not for racing, you do it for a certain adrenaline, and the passion you have for this brand.” (Arioli 2). Massimiliano Mucchietto explains the wanted HQM brand position: “We have to become stronger in our core business which is Enduro, cross and Super Moto and we have to stick to the brand positioning we want to have, which is a thrill brand. So this means that any bike we will produce has to be a bike providing a lot of fun to customers. It has to be perceived as an aggressive, sportive, agile, light bike – promising a lot of fun” (Director)

### 3.2.2.2 Exhilarating: The Emotional Dimension

In the internal document *Brand Identity Workshop* (Husqvarna Motorcycles & BMW Group, 2008) the vision and mission of the company is stated to become “the most desirable off road brand in the market” (p.38) One of the value words chosen in the top dimension of the Fried Egg is that of team spirit, which is motivated in the internal document as “owning a Husqvarna allows to be part of an incomparably strong brand community” (p.40). Besides regular motorcycle fairs, the marketing department get in direct contact with the end customer also during “Track Days” and “Husky Days”, where the prior is an amateur race day exclusively for HQM owners of Enduro and Super Moto classes. Husky Day is an open door event at a Moto Cross track for anyone to come try the new bikes for the season and get to meet the official HQM team. They do so to strengthen the HQM family, they say. It is an attempt to greater loyalty, as having fun with the brand creates positive images with the customer. HQM also has 500 students in an off road school cooperation, with riders from 5-50 years of age. Some of the best riders today started off in these schools. People are happy to meet the real HQM staff, Federica Artoni explains (Press). Some of them are fans of Martino Bianchi, a legend in the business, and some are there to meet the championship riders (Press). The strong brand community has its roots in Sweden, a reason why customers are so passionate about HQM today, according to Lennart Arréhn, Husqvarna Fabriksmuseum Supervisor (Museum Tour, personal communication, 20090403). The off road school which is today run by Martino Bianchi, was the invention of Mr. Arréhn himself when it started in Sweden (Museum Tour, personal communication, 20090403).

Martino Bianchi explains what, to him, is the most powerful communication tool for HQM. For the last fifty years more or less, they have won something every year, he explains, and this gives the ability for them to say: “Our best publicity with customers all over the world is that ‘We win with what we sell’. We won practically everything in the supermotard last year”, and this has proven to show in sales today and in the past (Racing). Winning in the off-road championships is therefore an important factor. The dream scenario would be to win in all three categories in one year. “Our target is to become the most attractive manufacturer in the off-road segment” (Racing).

### 3.2.2.3 Robust: The Physical Dimension

Many of the attributes claimed for the brand are purely technical ones, both recognized in the *Brand Identity Workshop* (Husqvarna Motorcycles & BMW Group, 2008) and during the interviews. High value in detail and technical solutions where simplicity and cleverness is in focus; “less can be more” (p.38). These are all guidelines directly connected to the physical attributes of the brand. The technical strength, HQM argues, is how championships are won. They distinguish between the physical and emotional dimension of the brand, by stating: “The technology focuses to what makes you fast and is taking your brain. The style of the bike is taking your heart” (p.40).

HQM recognizes the strength of being under the ownership of BMW, but wonders how to communicate it: "...we need to find a way to communicate that being part of BMW is a plus. BMW stands for quality, solidity, robust cars that never break down, never grow old. In terms of marketing this could be interesting. It can become a warrant that the HQM is a quality bike" (Marketing). The products are very different however. HQM needs to stay quick and alert according to Diego Arioli, and this is mainly due to the dynamic environment they operate in. "These are products that every year potentially can change a lot" (Arioli 2). Championship requirements can change dramatically and without warning. Since championship victories have proven a profitable springboard to the motorcycle sales, HQM has no choice but stay alert. BMW works under a different kind of pressure; that of the cruiser, with more given and structured product life cycles of 3-5 years. Postponing a launch of a model for two months is bad for BMW but a complete disaster for HQM, as it would mean the exclusion from the championship that full season (Arioli 2).

#### **3.2.2.4 Experienced: The Guiding Dimension**

Today, "the HQM/BMW product portfolio is covering the complete range of motorcycles. If you mix together HQM and BMW motorcycles you cover around 90% of the segments" (Arioli 1). There is only a small overlapping at the moment, because in the 600cc size both brands are producing a bike within the Enduro range, an incidence they consider normal after only one year of operations together. Both brands produce premium in the higher price range but divide their products many several aspects. Regarding sales networks, there are no plans for merging the retail networks and sell the products within the same stores. This is due to two reasons concerning their customers: HQM customer is most commonly somewhere between 16-25 years old whereas the BMW customer profile generally is older. The second reason is regarding the product's actual area of use. "If you are good at selling BMW cruising bikes, it is difficult for you to start selling off road bikes, and the other way around" (Arioli 1). If you buy a HQM you are most likely to compete with it off road and hopefully win, if you buy a BMW you are not – you will cruise the town (Arioli 1).

There is no doubt which the main competitor is (Director; Arioli 2). KTM (Austria) is the core competitor in the premium segment of off road motorcycles, whereas the Japanese manufacturers such as Yamaha and Suzuki focus on volumes at a lower price level. "KTM has been acting alone in the Enduro segment for many many years. They are by far the number one" (Director). The premium brands are considered more easily recognized in the racing circus. KTM, for instance, is orange. Husqvarna is (nowadays) red, white and black. "If you have the money to buy a premium brand in this market, you don't even consider the Japanese brands" (Arioli 2) However, as with any large brand, there are devoted followers to every producer in the market, even the Japanese (Arioli 2). KTM is, interestingly, moving into the road bike segment. This has drawn attention to BMW, as their focus is in this very segment. Now they are closely monitoring KTM's every move. This, they hope, is a strength for HQM, as KTM might be looked upon as a bit sprawling in its product offerings, not focusing on its core competences, and in the worst case, trivial towards its racing fanatics (Arioli 2).

HQM is a premium brand in the off road segment (Arioli 2). Since Mr. Arioli made certain that HQM is a premium brand, he was asked what it is that the customer is willing to pay extra for. The primary reason given, was "typical and outstanding product design", that the HQM stands out in the crowd of mainly similar looking Japanese competitors. The second point made was the drivability of the bike (Arioli 2).

### 3.2.3 The Name, Logotype, Company Profile and Colors

When BMW took over and initiated the brand identity definition process, they worked from the notion of HQM as being a *thrilling* brand, as the Fried Egg will demonstrate. The profile needed some changes: first of all the colors were wrong. They changed the blue brand on white background to white brand on red background. “Red is the color of Italian racing” (Marketing). Before, yellow and blue was used, and this in a racing circus where the colors are predominantly

Picture 2: Husqvarna Motorcycles Brand Profile



warm, like red and orange; they need to make a statement. “The blue was too cold, relaxing. Colors are important to us” (Marketing). Even the trucks that transport the racing teams

are now red and the color became the predominant one also in the clothing, both for racing and sportswear accessories. The white on red logotype is used in racing and product related display of the brand, whereas the blue white version in corporate contexts (Marketing).

Today, the background of almost all sales material is red. Before, each year’s sales material was different from the year before. The current materials are an evolution of the materials from the year before. “We will not let it happen again, that the marketing campaigns are completely different in choice of colors and style, from year to year. There is a logical style and format.” (Marketing)

“The current brand identity also helps me decide which types of images to use for the catalogue. For the merchandizing catalogue I have to choose photos that are coherent with the HQM identity. Thrilling: the images are of young people; their faces show almost anger. It is completely different from a model dressed in HQM clothes and petting a dog – it gives a different message.” (Marketing) Before, also the importers were not consistent in their HQM profile. In every country a different marketing campaign was carried out. Sara Radin explains that if you take three magazines from three countries, the campaigns from HQM will all look different. “Now, we decide on one theme and one style that will be the same for all countries. All materials the importers need can be downloaded from the FTP. If one importer wants to change something, they need HQM’s approval so that it is in line with the brand identity.” (Marketing)

This goes also for the corporate identity. If they do not respect the guidelines for this, or the brand identity, they will receive a warning from HQM. If they would want to attend a fair, they have to send the sketch of the stand layout for approval by HQM. This is to make sure that all images and all communication that HQM produce in all the countries, resemble each other, that they go in line with the brand and corporate identities respectively, no matter where in the world a customer visits a HQM stand. (Marketing)

### 3.2.4 Nationalities and HQM Brand

The Swedish era is represented in the name; Husqvarna. To the Italian market the name is an exotic and trendy one. “People do not know what it stands for, and even the letters ‘q’ and ‘v’ you can never see together in Italy, it sounds very exotic.” (Arioli 1) In terms of BMW’s influence on the brand, Federica Artoni explains the internal and external nationality of HQM: “There are four German people here from BMW, and as you can see, the company is still Italian, and this is good because customers feel like it is an Italian company” (Press). She explains how people feared the company moving to Germany as a result of the acquisition, but it has not. “So the company feels Italian, it has Italian flavor” (Prees) HQM Press Office and Marketing department wish to increase the awareness of the brand, which they hope to achieve through not only communicating

through specialized and niche media but also with the more general press. The aim is to gain shares of the number of people who answer “*motorcycle*” instead of “*chain saw*” when asked “what is Husqvarna?” (Press).

In one of the latest articles about a newly introduced engine, an Italian magazine complimented “the Swedish engineers for a fantastic engine” (Arioli 1) – still today and in the new home country of the brand, its nationality remains uncertain, according to Diego Arioli.

BMW placed some key people at work in Italy to supervise their new acquisition. The CEO Rainer Toma, the CFO, the Head of Purchases and the Head of Quality are all German (Arioli 2). The rest of the company employees remain Italian. During the everyday work HQM now has to handle intercultural communication and new ways of taking decisions. The former Italian owner was known to be very centrally organized, as Mr. Castiglioni was fond of making all decisions himself. Contradicting the common view of German management, the BMW Group is very decentralized, and the middle managers of HQM are being told to “think with their own brain, and start taking decisions on their own” (Arioli 2). The cultural shock, Mr. Arioli explains, is not only in terms of cultural differences between Italy and Germany, but in terms of organizational differences. HQM is a small company with very few, maybe four, levels between the factory worker and the CEO. Mr. Arioli describes HQM as a centralized but fast company, due to its size. They take decisions when they are 80% sure of the outcome, when BMW would never think of such a thing; anything not closely to 100% certainty will not be accepted. The differences, thus, are in terms of size on the one hand, and culture on the other (Arioli 2)

### **3.3 Future of the Brand Identity**

HQM expresses an ambition to learn about their brand history to use it as part of their brand identity in the future. The *Brand Identity Workshop* ends with a question on how HQM can differentiate itself from the competition in the future, what credible benefits that can be communicated. One of the points is “the strong history of the brand” (p.41) Therefore it is necessary to investigate their interest in its use.

#### **3.3.1 Description**

The communication around the brand has changed in its over 100 years of production. The strategists wanted to know the history of the brand, starting from the foundation. They wanted to know how the brand was perceived back in the day, through internal documents, interviews, marketing campaigns and retailers. One of the first steps was to visit the museum and its company archive. Diego Arioli, Technical Assistant of the CEO was the initiator of the background research. A secondary reason for the research was to collect enough info along the way to also write a book on the history of HQM, besides defining the brand identity.

#### **3.3.2 Discussion**

This introductory quote by Diego Arioli is borrowed from an earlier interview conducted by two Swedish researchers; Jesic & Hedenborg (2008).

*“Basically, we know the history of the results in the past. What we don’t know is that we didn’t have a complete perception of the whole history. This brand identity research is run also for this reason, because we need to understand if stressing the fact that Husqvarna Motorcycles is an historical brand, under 105 years of history, present in the off-road segment since the end of the 50s, first in the new technologies like the 2 strokes and the 4 strokes, winning 74 world championship, we need to understand if this could help when trying to sell a product that is perceived as a young product, for a young customer. We need to understand if this is good or bad for our brand. For sure,*

*saying that we won 74 world champions is good, but we need understand if talking about the history is helpful or not for our final customer, perception of the brand. This is the reason of the research, so I cannot answer this question now, I will answer in two years.*" (Interview with Diego Arioli, Technical assistant of Managing Director, Husqvarna Motorcycles, 2008-10-29, Varese, Italy.)

### **3.3.2.1 Massimiliano Mucchietto, Director of Sales and Marketing**

When Mr. Mucchietto was asked how the historical research of HQM could help the brand today, he gave the following explanation. "I believe that our customers have become very pragmatic, very rational." They want to buy a dream and have a lot of fun, but as Mr. Mucchietto would describe it, they know what they are buying, "they know perfectly everything" about the bikes already (Director). Therefore, he claims: "So brand heritage in the core business, in the off road business, is something that in my opinion is not key for success. Brand heritage can be one of the strong points when we will be marketing our bikes in a more general segment, like the Hypermotard 1000 cc class where you will not have racing customers, but you will have simply people how will be attracted by design and by fun-promising level. Then people is also buying a brand, a status symbol, and this can be built up through brand heritage." (Director, sic)

When discussing what sells motorcycles, and whether the brand heritage can help in this sense or not, Mr. Mucchietto explains: "If we can find in our history with this impact then it will be nice to use. Of course the values of HQM, related to this history, can be very useful when we enter more general segment" (Director). However, in terms of off road bikes, the sales and marketing manager wants to clarify that other rules apply. In the perspective of the customer: "I will never buy a cross bike or an Enduro bike of Husqvarna because it is Husqvarna - just because of the brand, but I will buy the bike if you surely have this performance, this quality, and because this bike has been proven to win in racing, ok? Because off road racing is a pure rational business." He takes the Yamaha TMAX as an opposite example. A customer would buy such a scooter because it is the best scooter, a status symbol, it is recognized as the dream to have. An Enduro bike has a completely different unique selling point: "This bike is world champion last year."

### **3.3.2.2 Sara Radin, Marketing Department**

According to Sara Radin, the brand has two mainly two problems. First of all regarding its origins, that HQM was Swedish, is now Italian, and is owned by Germans. Also Mrs. Radin points out the confusion of Husqvarna known as a chain saw company, not as a motorcycle brand. "At the moment HQM has not a real identity" and she continues: "HQM is Swedish, Italian or what?" It should be interesting, she points out, to communicate HQM as an Italian company. Italy stands for knowledge in the motorsport market she claims as she refers to Ducati, MV Agusta, Ferrari among others. "Italia means style" she adds to that. The HQM stands out, has style, and differentiates itself from the technically advanced KTM. If HQM, therefore, would communicate HQM as Italian, it should add to their strength in design efforts (Marketing).

However Sara Radin also discusses her view on the heritage of the brand. "My objective is to rebuild some of the parts of the brand identity from the past. There is a lot of info that we don't have. We are trying to understand the position of the brand in the past and see if it is coherent with our position today." (Marketing)

Sara Radin describes how she needs to stay practical in her use of the past and explains: "I need to decide, I need to understand well, what things are most important for me to communicate. For sure, communicating HQM as an Italian firm, is interesting if you want to focus on its style and design as well as its experience in the motorsport, since Italy is a country known for its experience in motorsports." (Marketing) Having said this, Sara Radin is also interested in finding the brand heritage in order to "communicate HQM as an important historical brand. Historical in the

case of big knowledge.” (Marketing, sic) HQM, she says, is old and should therefore communicate its hundred years of experience and knowledge.

## 4 Theoretical Framework

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*Having seen how HQM describes its brand and the identity it wants to communicate, the author presents the theoretical framework of the brand terms that were mentioned in the previous chapter. As HQM also expressed interest in their historical value, the author has turned to extensive theory on the brand heritage and retro branding.*

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### 4.1 Brand Theory

In order to fulfill the purpose of the thesis, there is a need for good understanding of the brand itself but more importantly the brand identity as the key issue of the investigation. Furthermore, an understanding of brand communities proved to be needed to fully understand if and how the customer activities that HQM engage in help strengthen the brand identity.

The focus will only be on Husqvarna as a motorcycle brand, and only on the product level as motivated here. The theory within the chosen field differs between internal and external communication; organizational identity (Albert & Whetten, 1985) and the marketing theory, focusing on corporate identity (Ballmer, 1995). King (1991) separated corporate identity from brand identity, and is considered to be the first author to do so. Although Dalton & Croft (2003) would argue that most aspects of branding applies to both product and corporation, this separation between the two suits this thesis fine, as Husqvarna AB, producing outdoor power equipment, and Husqvarna Motorcycles Italy S.p.A. share the same corporate logo but differ quite widely both in product groups and customer base. Focusing on the product level will limit the academic scope of this thesis.

#### 4.1.1 Brand Definitions

Before one can understand brand identity, knowledge in the definition of a brand is needed. According to the American Marketing Association a brand is “a name, term, sign, symbol or any other feature that identifies one seller’s goods or service as distinct from those of others sellers” (The American Marketing Association definition of branding) or, according to Miller & Muir (2004) “a promise you make and keep in every marketing activity, every action, every corporate decision, every customer interaction” (p.5). Keller (2003) would try and simplify the definition and argues that “*whenever a marketer creates a new name, logo, or symbol for a new product, he or she has created a brand*” (p.3) but the author also explains that branding, today, is a much more complex notion. From this we can learn that a brand influences all levels of the company, from the firm it belongs to, to the customers it ends up with, and all interactions in between.

In his comprehensive article *A Brand Building Literature Review* (Guzmán, 2005) the author summarizes Kapferer’s view of brand:

*“Brands, according to Kapferer (1997) serve eight functions...” (shown in Appendix II) “...the first two are mechanical and concern the essence of the brand: “to function as a recognized symbol in order to facilitate choice and to gain time” (p. 29); the next three are for reducing the perceived risk; and the final three concern the pleasure side of a brand. He adds that brands perform an economic function in the mind of the consumer, ‘the value of the brand comes from its ability to gain an exclusive, positive and prominent meaning in the minds of a large number of consumers’ (p. 25). Therefore branding and brand building should focus on developing brand value.”*

## 4.1.2 Brand Identity

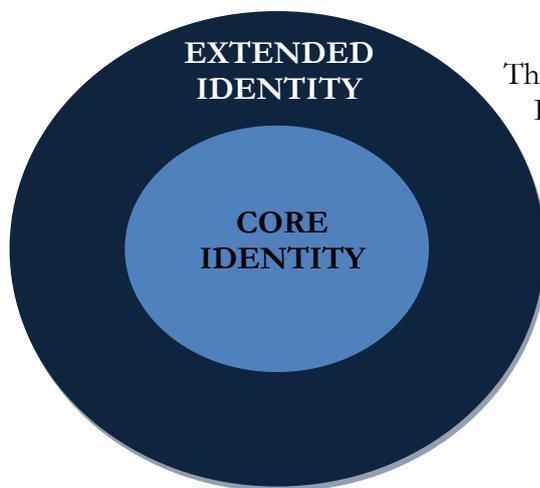
Aaker (1996, p. 68) defines brand identity as “a unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organization members.” Kapferer (2004) introduces seven crucial questions that will help defining the brand identity for HQM. “...having an identity means being your true self, driven by a personal goal that is both different from others’ and resistant to change.” (p.96)

- What is the brand’s particular vision and aim?
- What makes it different?
- What need is the brand fulfilling?
- What is its permanent nature?
- What is its value or values?
- What is the field of competence? Of legitimacy?
- What are the signs which make the brand recognizable?

(Kapferer, 2004, p.96)

Furthermore, according to Aaker (1996) there are four perspectives of the brand identity. One or more of these must be employed. The brand can be seen as a *Product*, *Organization*, *Person* or a *Symbol*. For the purpose of this thesis the author will find more use in the Kapferer questions. The Identity Structure that, once again, Aaker (1996) developed, will help identify which is the *core* and which are the *extended* identities of the HQM brand.

Figure 2: The Identity Structure by Aaker, 1996



The *core identity* of the brand is what should remain stable. It is the very heart of the brand that should permeate the identity no matter if new products are created or markets are entered (Aaker, 1996). The core identity is the soul of the brand, in which the uniqueness of the brand should lay. What makes the brand unique and valuable is what should be found in the core identity (Aaker, 1996).

The *extended identity* of the brand is where the missing parts go; the details filling in the picture, according to Aaker (1996). Here we find the brand personality, symbolisms and associations. It completes the brand identity and gives it context (Ghodeswar, 2008).

Being able to answer the questions posed by Kapferer (2004) above, the company has thus pinned down their brand identity. It is now a matter of a complex sender-receiver scenario, where the firm wants its brand identity to be as corresponding to the customers brand image as possible. The brand image, therefore, is “the result of decoding a message, containing brand name, visual symbols, advertisements and so forth” Kapferer (2004), whereas Keller claims that brand image are the “perceptions about a brand as reflected by the brand associations held in consumer memory” (1993, p.3).

### 4.1.3 Brand Communities

As best summarized by Guzmán (2005), Muniz and O’Guinn defined a brand community as a “specialized, nongeographically bound community, based on a structured set of relationships among admirers of a brand” (1991, p.412). In their research they found that brand communities share mainly three core characteristics: the existence of a consciousness of a kind, the presence of shared rituals, and a sense of moral responsibility between members (Guzman, 2005).

Brand communities, mentioned by Muniz and O’Guinn in 2001, Mc Alexander, Schouten, and Koenig in 2002, “carry out important functions on behalf of the brand, such as sharing information, perpetuating the history and culture of the brand, and providing assistance. They provide social structure to the relationship between marketer and consumer” (Muniz and O’Guinn 2001, p. 427).

## 4.2 Heritage and the Brand

As the following theory will exemplify, the company’s past, whether it is called roots, heritage, history or something similar, it is an important variable of the brand identity. In attempt to an evaluation and in fulfilling the purpose of this thesis describe the most valuable research in this field, below. It will show that a heritage brand can enjoy increased differentiation, loyalty and higher retail prices.

Aaker (2004) explains the importance of heritage: “Any brand, but especially those that are struggling, can benefit from going back to its roots and identifying what made it special and successful in the first place. A corporate brand usually has roots that are richer and more relevant than product brands.”

Shashi Misiura (2005) takes this notion to a new level and becomes the first to devote an entire book to heritage marketing. He focuses on its importance in tourism, monuments, food and beverage in terms of national heritage, among other things, but also ends the book with a chapter on company heritage marketing, claiming that “there is a growing global social phenomenon where the common theme and demand is for all aspects of heritage” (Misiura, 2005, p.238). From this, a new trend is emerging, where companies try to capture their corporate heritage in order to better use it in marketing, as a competitive differentiation strategy.

*“In a world of increasing over-choice and globalization, or Americanization, consumers are seeking out brands with genuine history and authenticity.” (Stewart-Allen, 2002, p.7)*

Brown (2003) makes an important statement that heritage, if it exists within the company can always serve useful:

*“Indeed, it makes eminent sense to play the heritage card when there is a heritage to play with. In a world where top-notch performance is industry standard in countless product categories – cars, cameras, colas, cornflakes, chinos, cellular phones etc. – the length of one’s lineage remains a meaningful dimension of differentiation and, at the same time, a means of positioning the competition as less trustworthy, less reputable, less knowledgeable than the first born.” (Brown, 2003, p.366)*

Consumers, thus, are in the market for brands with a history. However, adding to the complexity of the consumer, brands today need not only have a clear and strong background, they must be dynamic, fresh and modern as well. “The challenge for brands is great. While maintaining their traditional roles as guarantors of quality and instruments of identity they need also to embrace the individualism, complexity and wider concerns of the modern world.” (Willmott, 2002, p. 362).

### 4.2.1 Heritage Brands vs Brand Heritage

In a more recent article, which complements Misiura's work and will be the basis for the evaluation of HQM's brand heritage, Urde, Greyser and Balmer (2007) elaborate further on identifying heritage brands. They differentiate between brand heritage and heritage brands, with the respective definitions:

"By **brand heritage**, we mean a dimension of a brand's identity found in its track record, longevity, core values, use of symbols and particularly in an organisational belief that its history is important" (Urde et al., 2007, p.5)

"A **heritage brand** is one with a positioning and a value proposition based on its heritage" (Urde et al., 2007, p.5).

The latter is described as a company who has acknowledged its history as a tool to leverage the brand today. Two companies can be of similar age, where the one uses its heritage as its identity, and the other does so to a limited extent – as a part of it. Very simply put, the first one is a heritage brand, whereas the latter has brand heritage. Urde et al. (2007) have introduced five elements to identify a heritage brand and a brand with heritage respectively, which will be applied to the studied brands later. There are, according to the authors, three variations of branding in connection to heritage, other than the one they provide themselves.

*Retro Branding:* This is different from heritage brands as it is connected to a certain product or epoch. (Lowenthal, 1998).

*Iconic Brands:* Not all iconic brands need to be heritage brands, and value of mythmaking (Holt, 2004) is not crucial in heritage brands.

*Heritage Marketing:* As described by Misiura, also Urde et al. recognize the focus on tourism and the heritage industry, and describe that their approach is wider and not, as in many cases of Misiura's work, geographically locked examples.

Urde et al. describe their own approach further:

*"Overall, compared to these ideas, our view of heritage is simultaneously more expansive and more focused. Our perspective is neither limited to a genre of organisations (such as those with longevity or nostalgia as a major characteristic, e.g., heritage marketing), nor to a single kind of brand positioning (retro), nor to only the most culturally dominant brands (iconic). We concentrate on an idea (heritage) that can reside in many heterogeneous organisations, but must be harnessed and employed as a strategic resource in order to generate value as part of corporate marketing"* (Urde et al., 2007, p.6)

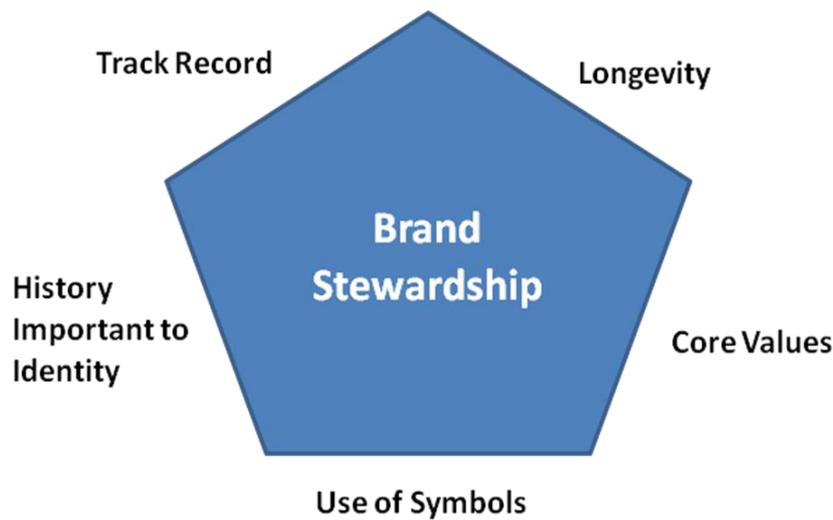
The authors display the difference between history and heritage, as mainly that of the time frame. The history of the corporate brand is by definition rooted in the past, whereas the heritage of a corporate brand stretches over three time frames; the past, the present and the future. "As such, the brand's traditions have a salience for the present: value is still being invested in the brand as well as extracted from it. Heritage brands are distinct in that they are about both history and history in the making." (Urde et al., 2007, p.7)

### 4.2.2 Defining a Brand's Heritage Quotient

In short, all brands have a history. All brands also have heritage but not all brands realize and use it, therefore they are not all heritage brands. A company's success however is not dependent on it being a heritage brand, nor is it viable vice versa, that all successful ones are heritage brands. Having made this clear, the authors aim is to bring forward the value of heritage as part of the brand identity (Urde et al., 2007).

The Brand's HQ is best displayed as the pentagon below. The five elements will be described separately.

Figure 3: The Brand Heritage Quotient, by Urde et al., 2007



#### 4.2.2.1 Track Record and Longevity

“By track record, we mean demonstrated performance—proof—that the company over time has lived up to its values and promises” (Urde et al., 2007, p.9). Credibility and trust, and a positive record of having shown its customer and stakeholders that the company delivers what it stands for. The authors take Volvo’s core values (safety, quality, environment, design) as an example, where “a timeless relationship” has been created with their customers. (Volvo Cars former CEO Hans-Olov Olsson, cited in Urde et al., 2007, p.9)

The time during which a certain company has been around for must have its impact on the heritage. The authors claim that not only family owned companies with several generations behind them qualify for a heritage brand, but it certainly helps. Longevity is not a precise measurement, and for this reason the authors take on another approach: “we think 'longevity' reflects a consistent demonstration of other heritage elements (especially track record and the use of history) under many CEOs, such that one can believe they are ingrained in the organisation's culture.”(Urde et al., 2007, p.10)

#### 4.2.2.2 Core Values

“A company with long-held, articulated core values guiding its corporate behaviour and its choices regarding policy and actions.” (Urde et al., 2007, p.10)

As in the Volvo example stated earlier, continuity and consistency in both communicating and delivering according to the *core values* can in some companies eventually become part of the heritage. Internally the core values will over time guide behavior in every aspect of the organization’s activities. They will affect the brand identity, and with time, the brands heritage (Urde et al., 2007).

#### 4.2.2.3 The Use of Symbols and How History is Important to Identity

“A company whose past is reflected and expressed in communications especially via the use of symbols” (Urde et al., 2007, p.11)

The Nike “swoosh”, the Jaguar “Leaper” and “Growler“, are symbols the authors use as examples of what they mean with its importance. They not only describe meaning, but also heritage. Also in communication these symbols can become an identity themselves, representing the brand through colors, forms, patterns and designs. Just thinking of the effectiveness of Mercedes’ star explains how this can have an impact on the heritage. (Urde et al., 2007) Patek Philippe is a company that represents the very extreme of companies that value its history: 'You never actually own a Patek Philippe. You merely look after it for the next generation' (company website cited in Urde et al., 2007, p.11). History, to some companies, has determined who, what and where they are today, and this is taken very seriously also in their decision making for tomorrow. The importance of history is therefore both internally and externally established and communicated.

### 4.2.3 Understanding and Using Heritage

There is no contradiction in being modern, hi-tech and cutting edge and at the same time referring to ones heritage in marketing communications (Urde et al., 2007). Furthermore the authors establish once more that having heritage, in itself, does not create value, but it does give the opportunity to do so by differentiation and thus making the brand values harder to imitate by the competition.

The authors summarize this in three points:

- *“Heritage can provide a basis for distinctiveness in positioning, which can generate competitive advantage, for example, translating into higher prices and margins, and retaining customers to whom heritage is meaningful.*
- *Heritage can add to the brand's value proposition with depth, authenticity, and credibility for the customer/consumer. For example, some automobile brands are marques that speak effectively to consumers by connoting a heritage of engineering excellence, style and/ or prestige.*
- *Heritage can help build a special relationship with a range of non-customer stakeholders. An example is gaining support for the company in difficult times such as a sudden product problem for which the company was not responsible. Another example is that heritage may make it easier to recruit (and retain) executives and employees. Heritage may also build internal commitment and pride to be part of a brand 'bigger than oneself'.” (Urde et al., 2007, p.11-12)*

Turning a brand with heritage into a heritage brand, is ultimately a strategic decision (Urde et al., 2007). First we need to find the heritage, then put it to work, and as with everything, protect it.

#### 4.2.3.1 Uncover the heritage

To discover the heritage the authors suggest starting with looking at the first corner of the pentagon, the track record. Who we are could positively be measured in what we have done. With a greater understanding of our track record, core values can be derived from our commitments and actions in the past, and we have then covered the third corner of the pentagon. With these two established, we can look more into detail of our history and its true value to our stakeholders. This means not only the celebration of turning 50 years as a company, but rather “celebrate the distinguished community of loyal Grand Banks owners around the world” as in the example provided in the article (Urde et al., 2007, p.13)

What is appreciated by the customers, and what long term values are ours, are what matters when uncovering our heritage (Urde et al., 2007).

#### 4.2.3.2 Activate the Heritage

Three basic questions help us focus on the most important elements we wish to surface, and will silently guide the brand heritage analysis on HQM.

- *“How does the corporate reality measure up in terms of heritage on each of the five HQ dimensions?”*
- *“Where is the company differentiated in terms of the strength of its heritage versus principal competitors in current or aspired marketplaces?”*
- *“How can that differentiation be translated meaningfully in the marketplace as a part of the brand's value proposition and positioning?”* (Urde et al., 2007, p.13)

The article brings forward three “vehicles” to activating a brand's heritage, namely: “product design, communications and the brand's history itself” (Urde et al., 2007, p.13). With product design we are bordering on what retro products are about, namely taking inspiration from former designs and using them as a means to leverage on a past era. As an example of this, the authors describe how Jaguar revived the XK model and by that ended a period of static designs while still recognizing “what the brand stands for” (Urde et al., 2007, p.13)

The second vehicle is the company's communication, and in terms of brand heritage Siemens had a successful campaign with “That was then. This is now.” where they, through real examples, truly leveraged the innovative history of the company. (Urde et al., 2007, p.14)

Third and last activator is that of the actual brand history itself, which come in two ways, reactivating an old brand that has been terminated, or acquiring an existing heritage brand. Exemplifying the latter, the authors suggest the Volkswagen acquisition of history loaded Bentley Cars. (Urde et al., 2007)

#### 4.2.3.3 Protect the heritage

If successful with the two prior steps, the company has extracted value from its heritage. The challenge now is to not exploit the heritage, but rather protect it through, what Urde et al. call, brand stewardship. Failure in this sense occurs when a company strays away from its heritage and the values pinned to it. Protecting it will, on the other hand, create opportunities to leverage the brand heritage as an asset, and by involving the people, also founding a protective mindset in the organization (Urde et al., 2007). Speak (1998) would describe brand stewardship, as “the leadership of and the accountability for the long-term well-being of the organizational brand equities” (Speak 1998, p. 33). In our setting, this would entail an even more thorough approach as the company's heritage applies as well. Brand stewardship will guide the company in the choice of strategic partners or even co-branding (Urde et al., 2007)

### 4.3 Retro Branding and Marketing

Nostalgia, brand heritage, and brand revival are all variations of, to me, very similar aspects of a brand, company or products' history. Retro, it appears, is introduced when quality, cutting edge technology, and racing performance, for instance, just does not quite seem enough to differentiate your brand from that of the competition. In achieving greater insight in this, turning to the articles of famous authors within the field proved enlightening. The intentions are to use the knowledge in understanding the possibilities for HQM in a potential retro effort, as well as identifying a good example of a successful retro product, hopefully related to the segment of HQM.

One article by Brown et al. (2003) discusses retro brands, something that is very much connected to what (HQM) faces or needs to realize today. “In launching new, improved, or cutting-edge products, aspects of heritage might prove a liability” (Brown et al., 2003, p.20)

Stephen Brown (1999) gives a short and comprehensive definition, albeit casual, that retro-marketing is nothing else but “yesterday’s tomorrows, today” (Brown, 1999, p.365). More generally; “old is the new ‘new’” (p. 363) in a world where retro has become so commonly used that the author even speaks of a retro-revolution (Brown, 2001). Pollio and Locander (1994) speak of retro brands as capturers of values, of craftsmanship from a time where the world seemed safer, more honest and less commercial. Pure reproductions of products of yore are increasingly popular, but the problem with exact reproductions are according to Brown (2001) that they simply do not meet the standards of today’s quality and exactness. Retro products, on the other hand, “combine old-fashioned forms with cutting-edge functions and thereby harmonize the past with the present” (Brown, Kozinets and Sherry, 2003, p.20). The authors continue (2003) “Retro brands are relaunched historical brands with updated features”, and define their standpoint:

*“We define retro branding, therefore, as the revival or relaunch of a product or service brand from a prior historical period, which is usually but not always updated to contemporary standards of performance, functioning, or taste. Retro brands are distinguishable from nostalgic brands by the element of updating. They are brand new, old-fashioned offerings”* (Brown et al., 2003, p.20).

The examples of retro brands that have been successfully relaunched are numerous (Franklin 2002; Mitchell 1999; Wansink 1997), and within many markets. All types of fashion are obviously invented and re-invented back and forth over the decades; music is influenced by various periods from the past, renamed and recycled for better or worse. Movies, Brown et al. (2003) exemplifies, are other examples of what customers approve of in terms of nostalgia, that ‘things were better back then’ (e.g., Holbrook 1995). The beverage giant Coca-Cola, depending on market culture, is a schoolbook example of nostalgia-evoking classic retro brands, with its “Always” advertisements, Christmas wonderlands and old Coca-Cola trucks (Pendergrast, 1993).

In the article “Retro-marketing: yesterday’s tomorrows, today!” the authors (Brown et al, 2003) accurately points out the Jaguar S-type as a typical revival of the landmark model Mark II from the 60’s. Although the brand itself differs, the design is clearly and deliberately imitated. The strap line; ‘the style of the last generation, the excitement of the next’ says a lot about what retro products are all about, namely what Brown et al. (2003) defined above. Wolfgang Reitzle, the man behind Jaguar S-Type gives a more specific lecture in what is happening to the automotive business: “The products are operating increasingly at a similar level of quality. There are almost no bad cars on the market; even for mass produced products, quality is now a given, not a matter for differentiation” (Lorenz, 1999 quoted in Brown, 1999, p. 366)

Brown et al. (2003) find in his article that retro brands are here to stay, and will be used to an even greater extent in the years to come. This is because of mainly two reasons. “First, technology and imitation quickly eradicate first-mover advantage, yet a competitive edge is gained by tapping into the wellsprings of trust and loyalty that consumers hold toward old brands. Second, consider Davis's (1979) contention that communal nostalgia increases during chaotic times. The tumultuous post-September 11 world is likely to see more rather than less retro branding” (Brown 2003, p.29) where communal nostalgia that (Brown et al., 2003) reflects on is described as societal changes after wars, revolutions, recessions and catastrophes, in comparison with individual nostalgia dependent on the personal age and life cycle.

In much the same way as Urde et al. (2007) recognize the complexity and delicacy of managing a heritage brand, Brown et al. (2003) finds that handling retro brands is no easy business. It takes more than relaunching old advertisements, bringing back delisted brands and bragging about the company history to be successful in retro branding. Brown et al. (2003) further describes this as an environment where marketing management and consumer commitment coexist, and they re-

flect this argument with Fournier's view (1998) that deep relationships exist between brands and customers.

“A retro brand is a powerful totem that regathers its loyal users into a contemporary clan.” (Brown et al., 2003, p.29). So then which brands actually qualify for revival? Brown et al. give these criteria, which are suitable to identify retro brands both in the historical product portfolio of HQM and in terms of comparative case studies of actual retro brands.

#### **Criteria for reviving a brand:**

- The brand must still exist, even if only as a brand story.
- It should be undisturbed by recent marketing attention.
- The brand must have a vital essence; that is, it must have existed as an important icon during a specific developmental stage for a particular generation or cohort.
- It must be capable of evoking vivid yet relevant associations for particular consumers.
- The retro brand must create longing for an idealized past or community.
- The brand must inspire a solidarity and sense of belonging to a community.
- Ideally, the brand should be amenable to both technological and symbolic updates

(Brown et al, 2003, p.30)

The questions above will help evaluate the chosen example from the industry, as well as the possibilities to use one of HQM's products from the past as a retro brand today.

## **4.4 Concluding Remarks of Theoretical Framework**

Through finding the hands-on questions or criteria to be fulfilled and answered by the company for each of the above areas, one can identify and motivate the existence and qualification of the brand identity, brand heritage and brand revival of HQM respectively. In summary, the questions and criteria will be used in the empirical data collection and analyses are as follows:

- **Brand Identity:** Kapferer's (2004) seven questions to defining the brand identity. It will be used to analyze the interviews conducted with several parts of the company. Also the Identity Structure by Aaker will be used to dissect the drafted brand identity together with the Fried Egg model and the questions BMW used to arrive at their brand values.
- **Brand Heritage:** The Brand Heritage Quotient pentagon from Urde et al. (2007) helps identify and differentiate between a heritage brand and a brand with heritage. In the following chapter the author presents a candidate to a heritage brand, which will be evaluated on the Brand Heritage Quotient and possibly teach the HQM brand how to use heritage.
- **Retro Branding:** Brown et al.'s (2003) seven criteria for brand revival, which will be used to identify and evaluate an illustrative example in relation to HQM. These criteria may also uncover any opportunity for HQM of a retro model on a product from the portfolio of the past.

## 5 Two Illustrative Examples

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*The following two companies from the automotive industry serves as illustrative examples where either the brands heritage or the introduction of a retro product respectively, has been used as a conscious strategy to strengthen the brand identity.*

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### 5.1 The Morgan Motor Company and its Brand Heritage

Morgan cars has been identified with the help of the studied theory, and serves as an example of company that in the authors opinion is a contender to being a true heritage brand. This will be discussed in the analysis. In any case it may teach HQM a meaningful lesson in how the heritage can be communicated.

Picture 3: Morgan Motors Company, The Morgan Wings Logotype

“As the oldest privately owned car business in the world, we retain the values which have always been at the heart of the company. Private ownership and a small management team allow us to innovate in ways no other car company can match.” (Morgan Classic Brochure, 2009, p.9)



Morgan is probably the only car in the world with a shape that in itself could be registered as a trademark (Morgan, 20080528) Morgan Cars, geographically connected to Malvern Link where they have been situated since 1910, is considered the very essence of British craftsmanship (Harris, 20080528). Besides the geographical history connection, Morgan boasts long family heritage, unique design and construction of their cars (Morgan Motor Company Ltd 2, 2009). The company was established in 1912 by Reverend H.G. Morgan and his son, who would later become the first Managing Director of the company. The first car produced by H.F.S Morgan was a three wheeler, a quite affordable mode of transportation; the Runabout would prove a success. A 7 BHP Peugeot engine in the very front powered the funny looking tube, giving the vehicle a remarkable 90 BHP per ton. At the first motor show, the response was so overwhelming that Morgan had to ask larger car manufacturers to produce his model, but to no avail. H.F.S Morgan then bought more equipment and started his own factory in 1912 to be able to meet the customer orders. The Runabout Sport was eventually extended to fit two people, and became immensely popular. The “Works”, as the old factory building is known as, was established in 1919 and is where the production has remained to this day. “The three wheeler made the company a lot of money and set it up for the next 20 years to come” (Morgan, 20080528).

As with many surviving automotive manufacturers, Morgan has always had a name in racing, starting from the victory in 1913 year’s International Cyclecar Race, and continuing even today with a rather successful participation in the FIA GT3 Championships, competing side by side with much larger brands as Aston Martin, Porsche, Ferrari, Ford, Lamborghini etc, with incomparable racing budgets (Morgan Motor Company Ltd 2, 2009).

The current C.E.O of Morgan is the third generation of Morgan sons, as Mr. Charles Morgan now faces the challenge of keeping the heritage of the brand as they move into tougher regulations, weaker economy and a troubled car industry. Today, the three wheelers are not what the factory is most renowned for, but rather the classic shape of the four wheel cars (Morgan Motor Company Ltd 2, 2009). Morgan Cars just celebrated 100 years of consecutive car manufacture, of which one model, the 4/4 Sport, named so because of its four wheels and four cylinders, has remained virtually unchanged for 72 years - unique in its kind and the holder of Guinness World

Record for longest running production car ever (Morgan on Working Lunch, 2008). The Morgan 4/4 Sport does look like a 72 year old car indeed, but has the same 1,6 liter engine as a new Ford Fiesta, to name only one thing that is very much contemporary about the car. Its low weight and top modern, efficient engine guarantees 21<sup>st</sup> century emissions and mileage. In an episode of *Driver's Republic*, the motoring journalist Chris Harris describes Morgan Motors as something unique in the British car manufacturing industry; "something that has got real heritage. It is a prominent luxury item that is also incredibly forward looking" (Harris, 20080528). Mr. Charles Morgan describes it as "continuous history"; they have the R&D documentations as well as the financial documentation of the company from the very beginning to prove its heritage. In contrast to this connection to its heritage, the age of the work force in the company has changed to a rather young average, perhaps further contributing to its obvious ambitions towards a changed image. They are constantly looking for young engineers from the top schools, bringing knowledge in the latest production technology etc. As an example, the designer of the LIFECar, described below, was in fact a student, now employed at the factory. "We are opening ourselves up to new ideas, to new engineering concepts" (Morgan, 20080528). Although Morgan will remain hand built and with a certain old style design, it still needed to adapt to the electronics revolution in car manufacture (Morgan, 20080528). The combination of "tradition and skilled craftsmanship with the latest technology; together do make for a very interesting mix" (Morgan, 20080528). After having fit the 3,5 liter Rover engine in its top range model for a longer period than any other car maker, it was finally coming to an end as the environmental requirements were not met and the engine seized to be produced (Morgan, 20080528). Morgan then started looking for new alliances, and turned to BMW and its award winning engines (Engine of The Year Awards Webpage). In terms of public perception of the company, reporter Chris Harris argues, Morgan was completely reinvented within the turn of a year when it launched the Morgan Aero 8 in 2001. It looked nothing like the "old" Morgans and it had a sophisticated BMW V8 in it. "Morgan is quite maverick, an interesting, and very changeable car company and has in its history done some quite revolutionary things" (Harris, 20080528). Mr. Morgan responds: "My job is not to reinvent the company, but rather take the good bits of the company and the good bits from outside and put them together" (Morgan, 20080528). Categorizing Morgan as being only traditional would be unfair, he explains, as "it has never been our breed", a statement he backs up with how Morgan has fitted the top modern engines of each era, and how technical solutions have been just as important a trait as heritage, style and craftsmanship.

Today, the collaboration with BMW is very close and Morgan agrees getting an "enormous amount out of it" (Morgan, 20080528). However the exchange is two ways, where BMW experiences how a small project is being run at low cost levels, as well as how their engine perform in a light chassis. Mr. Morgan explains that strategic alliances and the adaption to the latest technology – in combination of course with the exclusiveness and heritage of the cars – is what has made the brand survive and be profitable for so many years. Regarding the future of car manufacture, he believes that being a small brand they can dare do things the larger corporations would not, as the volumes needed for profitability with them are so enormous. "We need to re-think the whole way that sports and luxury cars are built" (Morgan, 20080528). So Mr. Morgan thinks his company is well suited to adapt to whatever challenges are impending. Times are most certainly changing, and if Morgan cannot be associated with screaming V8's or the way the petrol engine has characterized the cars handling and performance, what then, Mr. Harris asks, remains for Morgan? Mr. Morgan is confident that authentic design and skilled craftsmanship vouch for a beautiful object to own and enjoy. Also, it has got to be fun to drive, the car needs to be created as a whole from the beginning to end. If this can be done while still meeting the emission requirements, "then we have the answer for the future" (Morgan, 20080528).

Morgan does not only want to be modern, there is a tradeoff of being old as well: "It is the DNA from which we come, from where all of the ideas sort of percolate. Of course you cannot repeat

the past, but you can learn an awful lot from it and Morgan is lucky to have such diversified past"... and that's an inspiration to all of us." (Morgan, 20080528)

Further describing Morgan's ambition to be modern but with a classic look, one has to mention the Aeromax, which looks like a prop model taken from a futuristic movie of the 1930's but hides the newest technology of BMW's 4,8 liter V8 – the same one launching the massive 7-Series BMW forward. Even more astonishing, though, is the LIFECar. Below is a description from the official press release. However very technical it shows how Morgan is cutting edge at the same time as being historical in its appearance:

*"The LIFECar is powered by a fuel cell that is sized to meet the constant load requirement of cruising (about 20% of peakpower) and as a result significant weight and cost reductions have been made over other designs. By recapturing energy during braking, maximum performance is available to LIFECar for acceleration from this unique mix of technologies" ... "The hydrogen is converted to electricity using a 4 stack hydrogen PEM fuel cell. Apart from 22Kw of electricity, the fuel cell produces only heat and water as by-products. The fuel cell made by QinetiQ operates at 45% efficiency, a significant advance over the conventional internal combustion engine." ... "Using only the best and lightest materials that are also attractive from an environmental and an aesthetic point of view, aluminium, wood and leather, the Morgan DNA is clearly visible and gives a new dimension to an environmentally sensitive concept"*

(Morgan Motors Company LTD, LIFECar Press Release, 20070306)

Morgan, then, has taken a stroll down the road predominantly occupied by enormous industries like Toyota (Lexus), BMW and Mercedes Benz trying to pin down the best solutions for future drive chains. Morgan manages to do this regardless of their size and at the same time staying true to their heritage.

## **5.2 Retro Brands: 50 years of the Triumph Bonneville**

As the author let Morgan cars and their use of the heritage they possess be an illustrative example from real life, he will also present Triumph Motorcycles and their Bonneville as an interesting example of just how well a retro brand can be handled and the benefits that can be gained.

Siegfried Bettmann, to everyone's surprise a German businessman, is the originator of the British legend of Triumph Motorcycles. Just as with HQM, it all started with bicycles. Triumph Cycle Company fitted its first engine to a bike in 1902 and chooses the same strategy as both Norton and Husqvarna by mounting a Belgian engine with just around one or two horse powers. The first truly British motorcycle was produced in 1905. Other similarities with HQM are its constant efforts in the racing championships, as well as the deliveries of military motorcycles to the national military force. As with most motorcycle companies Triumph too had severe financial problems during several periods in its lifetime. Starting from 1930's when cars became the new, and soon to be affordable, means of transportation, also the financial troubles started. Triumph started producing cars to meet the new demand, and soon the divisions were separated (Chadwick, 2003).

The fifties, under the new owner BSA, is considered the golden era of Triumph, leading up to the much celebrated Triumph Bonneville in 1959, which by 1967 represented the larger part of the 30 000 Triumphs sold to the US each year. Despite this, BSA was losing money and Japanese competition was knocking on the door. A governmental cooperative tries to save the motorcycle industry in 1974 but the decline is consistent. An order by GEC of two thousand Bonneville slowed down the regression but Triumph was nevertheless in its death throes. 1977 saw a better year for Triumph, when sales increased suddenly due to new demand from the ever so important American market. The Bonneville was once again celebrated, this time as the 'Motorcycle of the

Year' in 1979. Triumph is still in debt and ceases production in 1983 as the company is liquidated. The rights to the brand and production are sold to John Bloor, today considered the savior of Triumph Motorcycles. Only seven years passed before the company was up and running again. By 1997 Triumph is a much respected company producing 50 000 units and now has a worldwide customer base. (Chadwick, 2003)

### 5.2.1 The Original “Bonnie”

The Triumph Bonneville was born as a celebration to the company's land speed record attempt at the Bonneville Salt Flats in the mid-1950s. That the record was not ratified did not stop the new motorcycle from becoming, according to many, the most famous icon in motorcycle history. Such heroes as Marlon Brando, James Bond, Richard Gere, Evel Knievel, Clint Eastwood, among others, made the motorcycle the coolest thing to own for the European and American youth. (Motorbike Search Engine, 2009)

The first Bonneville from 1959, the T120, was essentially a development from successful bikes of the golden era of the 50's, which was improved on gradually throughout its product life cycle. The Bonneville actually has two distinct life cycles, as it is also a retro model. The original Bonneville T120 and T140 and its derived versions are represented as the “Meriden Bonneville” and the new range, born in 2001 are known as the “Hinckley Bonneville”, both reflecting the location of the factories where the respective models were, and are, built. The new series celebrates the successful story of the Meriden Bonneville. Its sporty design, light weight and powerful engine vouched for great performance, however also simplicity is considered a successful characteristic of the bike. It was marketed as “The best motorcycle in the world”, and with its 110 mph top speed for the T120, the “World's Fastest Motorcycle” (Taylor, 2006).

An extract from the 1959 Triumph marketing ad read *"The Bonneville T120 offers the highest performance available today from a standard production motorcycle. This is the motorcycle for the really knowledgeable enthusiast who can appreciate and use the power provided."* The bike was light, fast, and handled very well for its time. (Taylor, 2006)

### 5.2.2 The New Retro “Bonnie”

By the turn of the millennium, the Bonneville was launched anew. It had the design of the ‘real’ but a much more updated engine and entirely modern technology. Triumph went the extra mile to make sure the Bonneville made its history justice. By 2008 electronic fuel injectors were introduced. To make sure the motorcycle still looked like a Bonneville, it has factory mounted dummy carburetors, so that only a trained eye can tell a 2009’ from an immaculate or restored 60;s’ bike.

*"The Bonneville is held by many to be a "nostalgia" bike that serves as a reminder of the 1960s-era Bonneville, and is marketed towards the demographic of motorcycle riders who previously owned older-model Bonneville, but who also want the convenience of electric starting mechanisms, fewer oil leaks, and better fuel economy. Thus, "new" Bonneville have a reputation for being ridden by older motorcyclists and those who enjoy this bike's timeless appeal. This claim is, however, unsupported by any concrete data, and some have reported that in major urban settings, Bonneville have begun to acquire a following among the 35-and-under crowd."* (Triumph Bonneville History, 2009)

The new Bonneville may not be a clone or a copy of its famous original, it is more a modern motorcycle designed as the Bonneville. However, they do look very much alike. Obviously much more so than the new and old VW Beetle, the two separate generations of the Fiat 500 and the PT Cruiser etc. (Chuck Hawks, 2001)

The new Bonneville is a real Triumph, made in England and will naturally be compared to the original, and especially that of 1969 T-120 Bonneville 650, generally accepted as the very best of the Bonneville and the model Triumph engineers used as template for the 21<sup>st</sup> century interpretation. (Hawks, 2001)

A glance in the 2009 Triumph catalogue reveals the obvious connections back to the glory days of the 50's, 60's and 70's with what they call the Modern Classics where the Bonneville is presented alongside the Thruxton and Scrambler, both inspired by the design of the past. The Thruxton was a race version of the T120 Bonneville and there were only 55 units built. The Scrambler is a new brand name, not found in the Triumph range of yore. (Robert Lagerström, 2004) Within the very first pages of the catalogue connotations on the history of the Bonneville are presented, reminding the reader that Steve McQueen himself rode one. Obviously, the venture into the segment of 'new oldies' worked, as both young and old riders, as well as the press seem to adore them (Lagerström, 2004).

*“Go your own way’, Triumph urges us. Said and done. The choice was an almost new T-100. And I’m in love. There are more brutal machines. Cooler, bigger, mightier, faster... But there is only one Bonnie and God must have been in a good mood when He let this legendary machine resurrect. Not a replica, but a modern interpretation. Very well. The balance between old and new is almost perfect.”* (Posted by SteelyD at Bike.se, 2005-06-03. Free translation.)

## 6 Analysis

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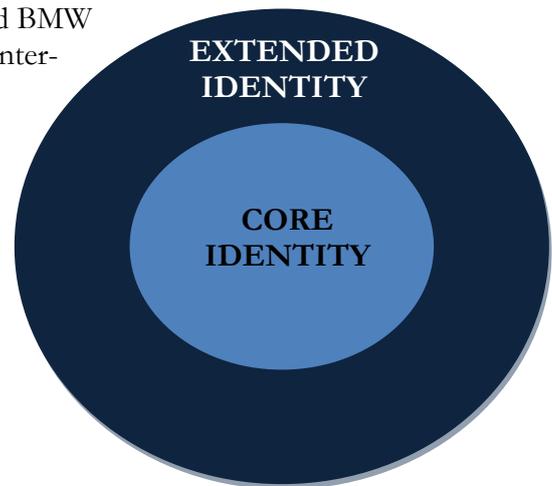
*The author has collected the data during the case study at HQM premises and there learned how the company pictures its brand. He has also researched the theory on branding terms to understand the HQM brand identity better. As HQM also expressed interest in their history, further knowledge in brand heritage, and possibly retro brands, was needed. The theory around the latter two, helped identify candidates as illustrative examples, which will now, alongside the HQM brand identity, be dissected and analyzed in this section.*

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### 6.1 HQM Brand Identity

Figure 4: The Identity Structure by Aaker, 1996

HQM is a small company that has had the very structured BMW brand strategy modes of operation applied on them. An interesting factor is its several nationalities and the qualities connected to them; which ones should they select to emphasize when “*there are so many ‘plusses’*” to choose from? (Marketing). Combining Kapferer’s (2004) checklist and Aaker’s Identity Structure as well as completing it with BMW Branding Strategy questions, found in Appendix 10.3, gives further insight in how far HQM has reached in its brand identity process. Each question on the Core and Extended Identity will be addressed below.



Adding Kapferer’s and HQM’s questions to the Identity Structure by Aaker, the core identity will handle the following points.

- What is the vision and the mission for the brand? (BMW)
- What is the soul of the brand? (Aaker)
- What is the brand’s particular vision and aim? (Kapferer)
- What is its permanent nature? (Kapferer)
- What is its value or values? (Kapferer)
- What is the field of competence? Of legitimacy? (Kapferer)

Having studied the outer circle of the model which Aaker calls the extended identity, Kapferer’s checklist and BMW’s questions compliment this model well:

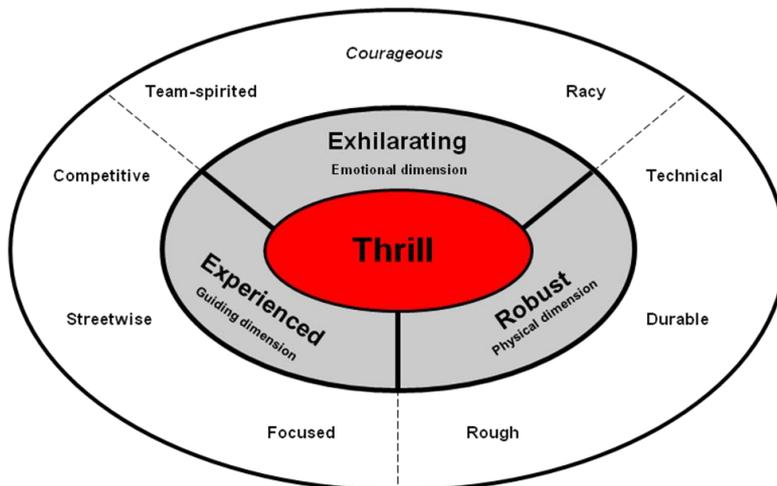
- What are the signs which make the brand recognizable? (Kapferer)
- Unique Selling Points for the Brand? (BMW)
- Which relevant benefits makes for a sustainable differentiation? (Kapferer and BMW)
- What needs are the brand fulfilling, emotional and functional? (Kapferer and BMW)

With the above model the author can evaluate the applicability and patterns found between it and the data collected.

### 6.1.1 The Core Identity

HQM has formulated its vision to be the most desirable brand in the off road market. They have also made clear that the off road market has two sides; racing and cruising, and that they have made a distinct choice for the prior. Aaker (1996) talks about the slogan as a means to “capture at least a part of the core identity”. HQM has redefined its slogan as *Husqvarna – Race Different* which is their elucidation of what HQM will focus on. The “*Play Different*” slogan of the past was considered not strong enough when aiming to become the number one in off road racing (Arioli 2, e.g.).

Figure 5: The Fried Egg Model by Husqvarna Motorcycles, 2009



The core identity, according to Aaker (1996) is the soul of the company. HQM has summarized its soul, which they see as a broader definition of the racing experience as the brand needs to be focused on the *thrill* in riding. However Aaker also claims that the soul “should include elements that are both unique and valuable” (Aaker, 1996, p.87) one can discuss the brands uniqueness in the market. Why is HQM more thrilling than the next bike? Can this parameter be

measured? Then again, does it have to? Cannot the core identity be something the company wish for the customer to feel? According to brand identity theory the problem surfaces during the sender-receiver process, and the question is if the *thrill* of riding a HQM in particular is strong enough a value to be carried to the brand image with the customer (Kapferer, 2004; Keller 1993) The value for HQM in communicating that their bikes are *thrilling* is important (Arioli 1) whereas Massimiliano Mucchietto, besides agreeing with Diego Arioli, also adds two other core values to a threefold identity: “We have to become stronger in our core business which is Enduro, cross and Super Moto and we have to stick to the brand positioning we want to have, which is a thrill brand. So this means that any bike we will produce has to be a bike providing a lot of fun to customers. It has to be perceived as an aggressive, sportive, agile, light bike – promising a lot of fun” (Director) This description is in line with Aaker’s extended idea of the soul, that it needs to include actual value and some element of uniqueness (1996).

Is there a true core for the brand as of today, be it a hidden one, not pinned down in the egg format? The author argues that the *thrilling* attribute of HQM is more a mentality than an identity. Although Aaker (1996) describes the core as “the center that remains after you peel away the layers of an onion or the leaves of an artichoke” (p.86) it still seems the spoken core identity of HQM, in that sense is misplaced and should rather be found in the extended identity. This would be supported by what Mr. Mucchietto argues: “... HQM is for sure a brand which stands for adrenaline, sport, agility – even if it is the oldest manufacturers in the world, it is perceived as a fresh and young brand” (Director) as well as Ghodeswar (2008) and Aaker (1996) when they speak of brand personality and associations found in the extended identity.

Kapferer (2004) chooses to compare the lack of permanence to the identity crisis of a teenager, moving from one role model to another (Kapferer, 2004, p.96). The same can be argued has been the case for HQM. After years of trying on different clothes, they have found their father figure in BMW, now telling them they need to choose according to their core strengths. Staying true to what they do best and getting to know their historical values is important to HQM, as the inter-

views and the internal brand identity document will show. According to the PR and marketing department with Martino Bianchi and Federica Artoli, what kept HQM alive through years of financial difficulties was its racing accomplishments and the strong brand community. In this respect, when all the extras are carved away from the brand identity of HQM, what remain from what the employees expressed during the interviews is racing accomplishments, quality products, the company heritage and the brand community.

The internal brand identity document, *Brand Identity Workshop*, lists three core values for the brand:

- Outstanding Styling, High Value in Detail
- Able to win in all “short distance” Off Road Sport Categories (not Paris Dakar)
- Simple and Clever Solutions (Less can be more, a pure technical value.)

The above are more likely called attributes of the brand or aspirations, rather than values. Looking at Kapferer’s questions, what HQM calls the values of the brand can arguably have been mistaken for what he calls field of competence. This can create confusion as the guidance the brand values should contribute, are replaced by very specific goals for the product to achieve. What then, if not values, shall guide the emotional decisions for the brand? HQM has shown to be a very team-spirited company with a strong ambition towards its brand community (Racing, Press and Marketing), has got heritage (Arioli 1; Director) and is developing a more efficient customer service approach (Marketing). All these actions are, consciously or not, connected to values around the brand that cannot be found in the printed version. The values communicated to BMW brand strategists through the internal document, therefore, could be considered misleading and not fair to the actual mindset in the company. This is supported by Kapferer’s motivation: “Identity draws upon the roots and heritage – everything that gives it its unique authority and legitimacy within a realm of precise values and benefits” (Kapferer, 2004, p.102).

### **6.1.2 The Extended Identity**

Sara Radin of the marketing department describes how the brand symbols and the colors of the logotype are important to the identity. It has been changed to better go in line with the thrilling personality and the racing focus of the brand. This goes well in line with Kapferer’s idea of the logotype as what should “help us to understand the brand’s culture and personality” (Kapferer, 2004, p.119). Kapferer also makes clear that the symbols and logos should not only help identify the brand, but “that the brand identifies with them” (p.120), for HQM perhaps meaning that if the brand should be marketed as an Italian brand, then the red color in the logotype makes sense to use as their own.

When asked what makes the customer choose the HQM above another brand, the answers altered between the respondents, and were not completely in line with the internal document’s guideline. As can be seen from Mr. Mucchietto’s quote “This bike is world champion last year” he exemplifies how the otherwise so rational customer also has a very emotional purchase driver (Director). Mr. Arioli’s reply is more image driven: “typical and outstanding product design” whereas Martino Bianchi (Racing) sounded certain when he exclaimed “We win with what we sell”. These three varying statements challenge the written USP;s in the internal document, as these are summarized as “Design, Lightweight, Essential”. Kapferer says the USP is a concept of yore; that we are entering a more modern age where brands stay strong through being true to their identity. Modern brands focus more on brand essence and less on brand appearance (Kapferer, 2004) Therefore, Mucchietto and Bianchi’s replies are more in line with theory than Arioli’s, however the latter is true to the internally written strategy.

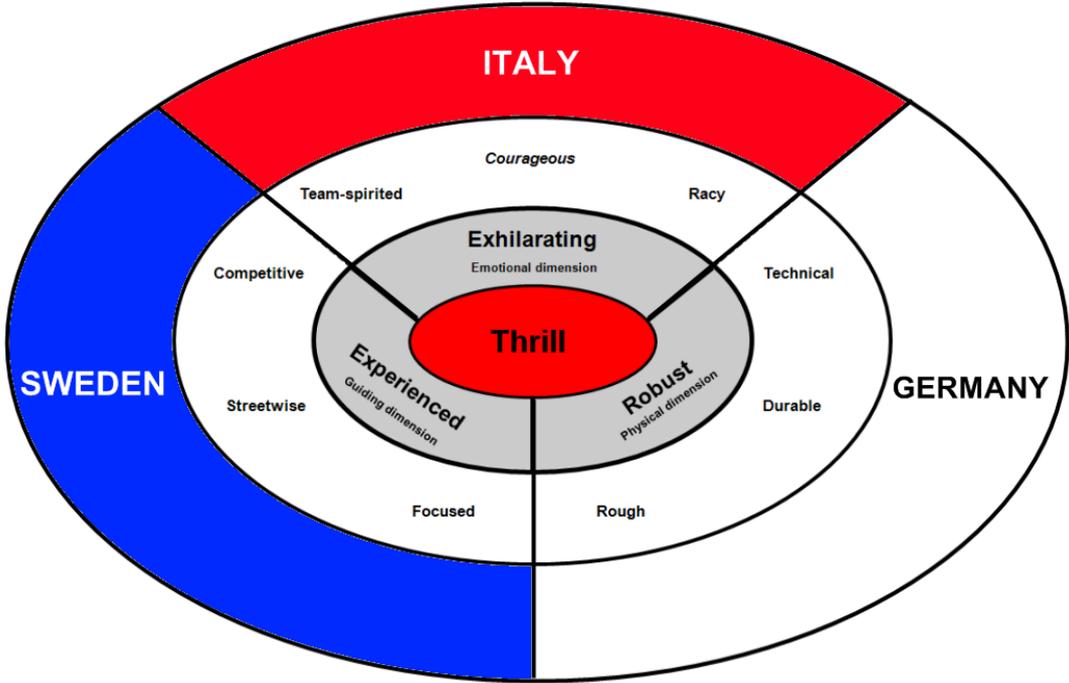
The answers to the two last Kapferer-questions regarding the extended identity are the first and only time where the company’s strong heritage is mentioned in the brand identity document. This, the author finds odd for two reasons. First of all the heritage maybe is not a direct customer benefit in the same way as the technical advantage of the product. Secondly, the company’s heritage is not given more attention than that it is mentioned once at the bottom of the last page of the document. These are values or strongly connected to the core identity. The customer benefits should, by definition, be more hands on advantages that HQM claims in comparison to their competition. Mr. Muchietto’s statement makes sense when he claims that the off road motorcycle customer is a very rational being, therefore the “strong history of the brand” might not be one of the top four customer benefits, but may fit well in the permanence and core of the brand which makes it unique. Only one motorcycle brand can be the oldest.

Generally speaking, there is a feeling that the concepts and factors of the brand have been mixed up and placed within the categories with too little thought to it, something this discussion hopefully proves. The raw materials are there, albeit hidden, it is now a matter of structure and reflection to verbalize this in the internal documentation.

**6.1.2.1 Three Nationalities of the Fried Egg**

From the interviews it can be seen that the HQM brand has mainly three sides, and for the experimental and pedagogical purpose the author would like to picture them according to the different nationalities represented in the company as well as in the Fried Egg.

Figure 6: The Fried Egg Nationalities Version.



Interpreted by Victor Gårdh, 2009. Originally from Husqvarna Motorcycles, Italy.

**Germany: Robust: The Physical Dimension. Racing Color Identity: silver or white**

The company has a strong owner with renowned structure and financial power, which will help HQM become more self confident and strategic in its daily practice. Germany and BMW stands for quality, durability and robustness as well as cutting edge technical solutions (Marketing). In racing terms, HQM was doing fine even without the financial strength of BMW. However, in branding the retailer shops, the redefined corporate identity as well as the undergoing brand identity process, they are all done thanks to BMW (PR; Marketing; Director e.g.). This has shown serious changes in their sales figures, so it is the competition outside of the race track that has changed the most (PR and Racing).

**Italy: Exhilarating: The Emotional Dimension: Racing Color Identity: red**

Italy is racing, motoring, and passion (Marketing), which have also become parts of HQM's parole. Mr. Bianchi would say "We win with what we sell", something that goes strongly hand in hand with the core identity and the decision to alter the slogan to: "Race Different". The interviewees agree that there are many sides to the HQM story, but conclude that HQM is Italian, even though Sara Radin only stretches to discussing the possibility of communicating the brand as an Italian one. The question becomes, do they have to choose a nationality? HQM is racing; the thrilling experiences; adrenaline. Perhaps this language is a common one that all the customers speak fluently.

**Sweden: Experienced: The Guiding Dimension: Racing Color Identity: blue (yellow)**

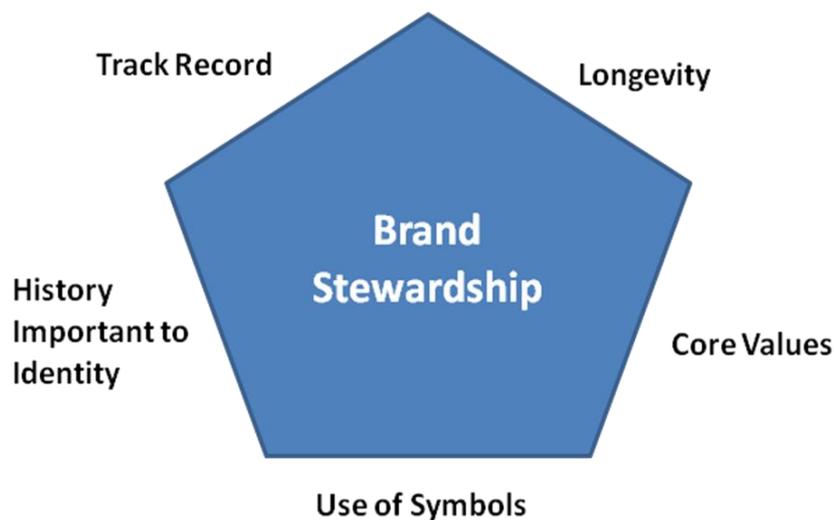
HQM is in fact Swedish from the beginning. Albeit this is not part of the core identity, it still has a long and interesting history as the oldest brand in the motorcycle industry. Its history, and thereby heritage, is a dimension that cannot be found in the Fried Egg, and with that, not in the marketing efforts. This is one dimension where HQM need more research in order to take a conscious decision. Only one brand can claim to be the oldest, and not using that to HQM's advantage may be a mistake if not given a conscious decision. This is why this third dimension has been devoted a separate part in the analysis.

## 6.2 Heritage Brands and Brands with Heritage

For the purpose of serving as an illustrative example, the author chose Morgan Motors as a contender to being a true heritage brand. For the purpose of the investigation we establish that HQM *has* heritage. A triangulation discussion with HQM, Morgan and the Brand Heritage Quotient Model as the theoretical baseline will evaluate whether the two brands qualify as heritage brands or merely as brands with heritage. Urde et al. (2007) affirm that using heritage as a strategic resource needs to be a conscious decision, this “in order to generate value as part of corporate marketing.” Taking a closer look at Morgan Motors will give an insight in how the professionals act in leveraging the brand identity with the heritage factor as their conscious strategy.

As described earlier, important to once again establish, Urde et al. argue that heritage, in itself, does not create value, but it does give the opportunity to do so by differentiation and thus making the brand values harder to imitate by the competition. Morgan, it can be claimed, both has the heritage and the will to use it to their outmost advantage. HQM also has a considerable heritage in their market, but has not chosen to use it to their advantage. Interestingly, both brands are the oldest<sup>2</sup> in their respective industries, yet have so very different approaches in using this fact.

Figure 7: The Brand Heritage Quotient, by Urde et al., 2007



### 6.2.1 Track Record and Longevity

Both companies' values and promises may have changed during the years of commerce; however their respective 100 years of existence may speak for their credibility. It can be argued that HQM's values in the past has changed to such an extent that their track record can be considered inconsistent (“*At the moment HQM has not a real identity*” by Sara Radin e.g.). However some values remain firm throughout the company's history, which have been structured according to type of value instead of decade, below:

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<sup>2</sup> Morgan claims to be the oldest family owned car manufacture in the world:  
<http://www.worldcarfans.com/2061006.002/morgan-in-america>

Table 5: Three Types of Value Words, Husqvarna Campaigns

<p><b>Quality Values:</b></p> <p>Secure Trustworthy Reliable Tough Technical Precision Quality Technical Solutions Design</p>	<p><b>Impression Values:</b></p> <p>Attention For everyone Daredevil Revolution New Generation Team Spirit Weekend Enjoyment Play Different Thrilling Brand Community Performance Dream Striking Straight Forward Self confident Exciting Dream machine Revolution USA Sporty Available Admired Dream bike Youth Bang-machine</p>
<p><b>Racing Values:</b></p> <p>The best World Class Champion Brand for champs Victories Successful For winners Race Different Winning Racing Machine Speed Superior Grand-Prix</p>	

Summarized from *The Wheel of Fortune*, Husqvarna Motorcycle Campaigns 1903-2009

The company has always been renowned for what the author summarizes as mainly three distinguishable features: Quality (robustness, tough, strong), Racing (champion, winner, victory) and the Impression (speed, excitement, thrill). It may be said that under the various owners through the years, these promises have been altered and maybe even not met at times, as the inconsistencies of the 90's may exemplify.

As mentioned, both companies are very old, something the originators of the Brand Heritage Quotient model find important but not a determinative factor for the qualification of a heritage brand (Urde et al, 2007). All brands have history. However an old company has a greater chance of having made use of their heritage, according to the same authors. HQM has been around for some hundred years now, as have Morgan just now. Longevity is, alternatively, a measure of a “consistent demonstration of other heritage elements (especially track record and the use of history) under many CEOs, such that one can believe they are ingrained in the organisation's culture.” (Urde et al. 2007, p.10). This becomes problematic for HQM. No matter how important history was to the Swedish managers, this was largely lost when the brand was transferred to Electrolux and on to Italy, and since brand management during these years was not consistent according to the employees, the heritage part of the brand, consequently, received little or no attention. From the hundred years' milestone on, one can make out a slight change in the attention to their heritage. It might have been felt like a natural step that the management could hardly es-

cape but notice. HQM could now claim “100 years of existence” and campaigns around that fact. What we see here is quite possibly a turning point towards improved brand heritage management. Looking back however, HQM can hardly be argued to have nurtured the heritage consistently, much to blame of the acquisitions before BMW, if hearing the current employees. The latter has rather made possible the return to this legacy, as the economical resources was a requirement for this, the employees agree.

Morgan serves as the possible school book example as one of the reasons it is included in this case study. Morgan has the benefit of being a family company, its history literally inherited (Urde et al, 2007). Quite possibly it comes more naturally to refer to what father and grandfather has done in the past, than what former managers have done for the brand. The efforts needed from HQM to replicate the heritage consistency of a family owned company, are seemingly large.

## 6.2.2 Core Values

As described in the previous section, one can distinguish between three value groups that HQM historically have used in its communications. Once again, HQM has two lucky stars to thank for their survival, the strong brand community which in itself can be seen as the carriers of the heritage, and secondly; the racing achievements which have given the brand peaky but an ever so important sales record (Racing e.g.) as discussed earlier in the brand identity analysis. The idea is that the core values over time will have influenced and guided the organization in its decision making process (Urde et al., 2007). However this may be true even for HQM, it is the inconsistency that may cause a problem in the brand heritage evaluation. Also the internally documented values are not consistent with neither the pattern the author can make out, nor what is expressed by the employees during the interviews. The author has, in an effort to interpret the brands history, summarized HQM;s value words from the past into three distinct groups: Racing, Quality and Impressions. These can be said have remained constant. These are also recognized in the Fried Egg, however under different labels and as three dimensions:

- **Experienced.** This Guiding Dimension cannot be found in the marketing campaigns of the past, but is a step towards understanding the value of heritage.
- **Exhilarating.** The Emotional Dimension, which is confirmed by the Impression-values but includes also the Racing values, found in the Fried Egg.
- **Robust.** The pure Quality-side of the brand is represented by the Physical Dimension of the Fried Egg.

The Experienced factor is added as recognition to the company’s history, or “big knowledge” as Sara Radin would describe it. This section is where the heritage would fit well. The two values of Racing and Impression are found in the same dimension, the one called Exhilarating. As heritage itself has not been used as a communicated value before, this is a new dimension of the brand that needs care. The actual uncovering of the heritage is the first stage, according to Urde et al. (2007).

### 6.2.3 Use of Symbols and History Important to Identity

Picture 5: Current Husqvarna Logotype



Picture 4: Original Husqvarna Logotype



The HQM logotype has its origins in the crosshair symbol from the very beginning of the brand when Husqvarna Vapenfabrik AB produced weaponry for the Swedish king (Husqvarna AB 1, 1989). The brand has lived on and today very well resembles its original. In 1989 Husqvarna celebrated 300 years, and the book for this celebration was called “300 years and aiming at the future.” This can be seen as an attempt to how the logotype is still used today as a contemporary tool to describe how the brand, now shared between the two companies, still communicates the idea of a modern brand but with connections to the origins. Be it they associate it with chain saws, lawn mowers or off road motorcycles, the brand is recognized and well established in many markets (Arioli 1). Since HQM is allowed to use the same logo, it gives the possibility to draw from the shared brand heritage.

As noted before, few cars can be as easily recognized as the Morgan car. Its shapes in itself distinguish it from any other car. The shape of the car is its true symbol, the logotype of the Morgan Wings an addition to the identification of the brand.

Urde et al. (2007) take the Nike “Swoosh” as an example of companies “whose past is reflected and expressed in communications especially via the use of symbols” (p.10). This would imply that the company can be recognized by only seeing this symbol. For Nike this is obvious, but since the authors also mention the Jaguar “Leaper” the notion becomes vaguer. The Husqvarna crosshairs reflects its beginning as a weapon industry but today has become a symbol for the brand, clarified by the large “H”. In much the same way that most of us do not know the history about the four rings of Audi; we will not hesitate on its name, the Husqvarna crosshair means Husqvarna brand today, and not weapons as it did 300 years ago.

Regarding how history is important to the identity, it has never been Morgan’s intention to be only traditional. Morgan is rather a maverick brand where technical pioneering, exclusivity and craftsmanship has guided the company all the way to the 21<sup>st</sup> century, and even more so today (Morgan, 20080528). Any brand that tries to be only traditional in a technically advanced market

Picture 6: Morgan Motors Company, The Morgan Wings Logotype



will possibly struggle, at least so in the automotive business, where both our case companies reside (Brown 2003; Willmott, 2002). Both companies are very technically advanced and have made that a pillar to stand on throughout history. Morgan, it seems,

has played the heritage-card all along, something HQM either has found insignificant or just not handled properly in its brand management before (Marketing, e.g.). Question is, has history brought HQM to who, what and where they are today? Looking at their three dimensions of the brand identity, it seems racing has always been important and still is today. HQM has always been a premium brand, and quality is a permeating value still today, perhaps even strengthened by the BMW mother company (Press and Arioli 2 e.g.). Has HQM always been a thrilling brand? The value words communicated throughout history may not show the thrill in riding per se, but as discussed earlier, the author has interpreted a pattern where Racing, Quality and also Impression stands out as three pillars on which most communication seems to stand on. Maybe not thrilling, but the impression or experience factor of riding a motorcycle in general and HQM in particular, has remained important to HQM, so it can perfectly be argued that the brand is here today be-

cause of its history. However, there is reason to believe that this is not a completely conscious accomplishment. As noted before, HQM has been severely cut off from its history, and is now trying to regain knowledge of it. Even learning this very track record demands a serious research project. The current ambassadors of the HQM brand simply do not have complete knowledge of its history and track record, but as Urde et al. (2007) notes, this is a first step to using the heritage.

HQM's consistency has taken a serious beating from the several ownerships during the last 30 years, its core values however can be argued remained intact, consciously or not. Regarding its longevity the brand can perfectly claim the oldest motorcycle manufacturer in the world, and since there is only one brand that can do so, HQM possesses this asset to their advantage. Consequently, the author argues that the core values do not make the brand complete justice. Other, deeper values apply, not utilized but contemplated by the marketing office. The heritage of the brand is being studied and perhaps put to work. Also the brand community connected both to racing and to heritage, is unique in its kind.

#### **6.2.4 Understanding and Using Heritage at HQM**

It could not have been said better than as by Urde et al. (2007), that using heritage is a strategic and conscious decision, that now HQM both can and seems to be taking. Morgan, it seems, took this decision long ago, and even calls itself continuously historical. This may not effectively have taken the same shape for HQM, but the decision to use heritage for the motorcycle brand was never taken – until maybe now.

As the authors of the used heritage theory claim that heritage is a strategy to differentiation; something to make the brand values harder to imitate by competition, HQM now faces an extraordinary opportunity. They have a completely different price strategy than their Japanese counterparts, so the main competitor in the premium brand off road segment; KTM (Arioli, e.g.), is now who they must differentiate from. From a bird's eye view, and before HQM has plotted the competitor's brand values, it seems the HQM pillars could rather easily be copied, or are unstable and not constant. Racing as a core value requires winning, something no one can guarantee from year to year. When a rider buys an expensive off road bike, he expects Quality, a value quite possibly claimed by any other premium brand. It serves as a given value these days, as noted by Lorenz (1999). The weakness in the emotional value of Impression is that it too can be copied. As has been rhetorically pondered before: What makes riding a HQM more thrilling than a KTM? With a bit of bad luck, these can be the exact three values KTM claims for themselves. A quick look at their homepage tells the customer that they are "*Ready to Race*" and that innovation and design are important elements to the brand, as well as a strong brand community.<sup>3</sup>

Consequently, a decision from the 50 years<sup>4</sup> older HQM to adopt a differentiation strategy where the company heritage plays an important role could be interesting for the brands future position (Director), at least in a more general segment, not extreme off road bikes: "Brand heritage can be one of the strong points when we will be marketing our bikes in a more general segment, like the Hypermotard 1000 cc class where you will not have racing customers, but you will have simply people how will be attracted by design and by fun-promising level. Then people is also buying a brand, a status symbol, and this can be built up through brand heritage." There is no contradiction in being modern, hi-tech and cutting edge and at the same time referring to ones heritage in

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<sup>3</sup> <http://ktm.com/Dealership-opportunities.100313.15.html> KTM webpage, link retrieved 20090506

<sup>4</sup> KTM had their first production motorcycle in 1953 <http://ktm.com/History.101.15.html>, link retrieved 20090506

marketing communications (Urde et al., 2007). HQM remains the oldest manufacturer in the segment still alive.

### **6.2.5 Uncovering the HQM Heritage**

Who we are could positively be measured in what we have done, Urde et al. (2007) advise. Therefore HQM is on the right path by beginning to uncover their past, something that seems supported both by Mucchietto's statement from the prior section as well as Sara Radin when she explains her objective to "rebuild some of the parts of the brand identity from the past" (Marketing). By doing so, they can pin down their core values. HQM should look for things that can positively change the brand image with the customer, or rather, strengthen the positive attributes of the brand that may have been hidden before. Merely saying that HQM has produced motorcycles for over a hundred years may not help the customer, but enlightening the continuity of bold technical solutions from 1903 till now, and possibly draw parallels, can "add to the brand's value proposition with depth, authenticity, and credibility for the customer" to quote Urde et al. (2007, p. 11)

Moreover, HQM is a motorcycle of the higher price segment (Arioli 1). As strong heritage can be a "basis for distinctiveness in positioning" (Urde et al., 2007, p.11) I argue that HQM fit well with this description, especially since it is a high end brand. Presumably, a heritage strategy will therefore add reason to the premium price that HQM charge for its motorcycles. Urde et al. explains that it "can generate competitive advantage, for example, translating into higher prices and margins" (Urde et al., 2007, p.11). Conversely, a brand with a price position strategy may find communicating its heritage contradictory to a low price (if there is not a heritage in being an economical alternative, author's own reflection). On the other hand, the theory suggests that playing the heritage card always makes sense (Brown et al., 2003).

### **6.2.6 Activating and Protecting the Heritage**

There are three vehicles to activating the heritage in a brand, namely "product design, communications and the brand's history itself" (Urde et al., 2007, p.13). Just as much as understanding of the heritage is important, the motorcycle brand needs to find the tools to personify the findings. A possibility emerges to find inspiration in mature and appreciated designs from the past and incorporate them in a new motorcycle today. This suggests moving towards a retro strategy, which can perfectly be an embodiment of the company's history (Urde et al., 2007). The article by Urde et al. also suggests the reactivation of an old, terminated brand. Luckily, HQM has several celebrated product series that presumably can be revived successfully, for example the Silver and Golden Arrow respectively if Diego Arioli or Lennart Arréhn would decide. Once again, this suggestion takes a leap towards the retro concept. Lastly, the marketing communication can draw from and strengthen the brand's heritage, perhaps in a manner suggested in the Final Comments section under Conclusions.

However not a concern for HQM today, the brand needs a strategy to protect the newly uncovered heritage. They have become very good at this when it comes to safeguarding how their brand is handled by the retailers, with strong guidelines for their corporate and brand identity. Add to this a control function that ascertains the protection of the heritage factor of the brand, and the company has embarked on what Urde et al. (2007) explains as brand stewardship. By securing this, the heritage becomes an asset which makes the company as a whole more valuable. Furthermore, when the heritage is established, the work force will feel more involved and protective of the brand as they are part of an ongoing story, not only a company or a brand. "Heritage brands are distinct in that they are about both history and history in the making." (Urde et al., 2007, p.7)

## **6.3 Retro Branding: Proven Concepts and New Contenders**

If HQM would choose one motorcycle that stands out as the most important in their history, it would probably be the Silver Arrow (Arioli 1 and Lennart Arréhn, personal communication, 20090403). From what it seems today, the same goes for Triumph and the Bonneville. The two have many things in common; in terms of style, values and importance to the success of their respective brands. Having identified a contender for a possible retro revival from the HQM product range, the Silver Arrow needs an introduction before being evaluated against the Bonneville and the theory at hand.

### **6.3.1 Introducing the Husqvarna Silver Arrow: 1955-1965**

This is the light weight motorcycle for the youth that became the worldwide victory machine. With the Silver Arrow Husqvarna managed to fill a gap in the market where young customers demanded a light motorcycle, under 75 kg, which did not require a heavy motorcycle license and could be ridden by 16 year olds, was inexpensive in relation to a heavy motorcycle, required low insurance and maintenance and did not have the 'old man style' of the other products in HQM the range. Husqvarna Silverpilen, or the Silver Arrow, was born. It had a 175cc engine which produced a whopping 9 HP, promised great handling and a top speed of about 100 km/h (Husqvarna AB 1, 1989).

About a year later, the company released an even sharper version, the Golden Arrow (Guldipilen), with 200cc and 10,5 HP. Problem was, the Swedish authorities found this new motorcycle too fast for the Swedish roads and asked the factory to be so kind to cease production of the model and make do with the 175cc version. Nevertheless, these two proved to be the perfect foundation to start producing motorcycles for racing in motocross (Husqvarna AB 1, 1989).

It has become a symbol for the Swedish motorcycle industry and a nostalgic icon of many riders worldwide. As it was the basis for the very successful motocross endeavors both in Europe and America it is a model that shows up in the history books as number one in many championships, not least with legends as Rolf Tibblin and with the 500cc version, with "wild man" Bill Nilsson. Already in 1963 Husqvarna had learnt how important championship victories were for the sales of the current and following year. As a result, they started to produce ready-to-race bikes for amateur racing, much in the same manner as today. Husqvarna's red fuel tank with chromed sides were introduced, a signature that would last for many years. Still in 1980 years 240WR the original design of the Silver Arrow could easily be recognized, proving how significant this model was to the success story of this era (Ersson, 2003).

The Silver Arrow and models derived from it are celebrated and preserved by enthusiasts to this day, in Europe as well as in America (Ersson, 2003; Husky Club America, 2009).

## **6.4 Comparison and Analysis: Does the Silver Arrow Qualify?**

The theory in the field weighs the differentiation possibilities with retro branding. Also, we know that the quality level in the automotive business, be it cars or motorcycles, is both increasing overall and narrowing the gaps between the competitors. It is a given, as Lorenz (1999) described it.

Triumph needed to have the world believe that the brand was still alive, rather than revived. The icon of the Bonneville served as a vehicle to bring the history to light of Triumph as a heritage brand with a continuous history and a stable value foundation. It can be argued that the retro revival of the Bonneville firmly reconnected the new Triumph with the old and took the company to where it is today. In much the same way HQM may be able to reconnect HQM with HQM;

make certain that the customer does not have a blurry image of the company as something from the 70's that suddenly popped up in Italy, but understand that HQM is a company with true heritage.

As already found in the theory section, Brown et al. (2003) provides certain criteria for any brand that is considering a revival.

- The brand must still exist, even if only as a brand story.
- It should be undisturbed by recent marketing attention.
- The brand must have a vital essence; that is, it must have existed as an important icon during a specific developmental stage for a particular generation or cohort.
- It must be capable of evoking vivid yet relevant associations for particular consumers.
- The retro brand must create longing for an idealized past or community.
- The brand must inspire a solidarity and sense of belonging to a community.
- Ideally, the brand should be amenable to both technological and symbolic updates

(p.30)

There were no doubts with Triumph that the retro object still existed in the mind of the customers. The original bikes were still in use and the Bonneville was already a true legend since many years, as supported by the fact that the new Bonneville was even marketed to those who already owned the original (Triumph Bonneville History, 2009).

This goes for the HQM Silver Arrow as well; it is the cause of websites, books, t-shirts, enthusiast clubs and much more in several countries. The brand name has not been used after the end of the original production, unlike the Bonneville did. John Bloor tried to produce the Bonneville during the years when the “real” company was dead. This may be the reason why the Bonnie had to wait seven years into the revived company’s life until relaunched again, if one contemplates on the second criteria above.

Looking at the third point made by Brown et al., the theory applies strikingly well with the reality of the two brands. Both are seen as true milestones for the respective companies. Reading a lot about the two companies, and with this criterion in mind, one has to ask oneself “where would these companies be today if it was not for these two products?” It may be self explanatory that an unimportant product of any company cannot be revived as a retro, but in the other end of the scale, it makes perfect sense for an utterly important icon of yore to be the object of retro today (Brown et al., 2003). It can be held as being the best personification of a company’s heritage, or as in the case of HQM, the introduction stage of communicating heritage.

Triumph presents the new Bonneville as the bike (the brand) your father would have told you about when you were young (Triumph Modern Classics, 2009). The Silver Arrow was marketed towards an even younger audience than the Bonneville, but needs to create similar connotations, just as the new Bonneville did. The latter has proven to not only attract the previous riders of the old Bonnie, but rather the young urban riders who can appreciate culture and style. The same can quite possibly turn out to be the case for Husqvarna. Massimiliano Mucchietto argues that the off road segment is a pure rational business. If the bike is a winners bike, it will be bought (Director). In contrast to this, HQM seizes the opportunity of their technological abilities and style and moves into the more emotionally driven café racers segment, as with the newly launched SMQ 450 or, ‘new oldies’-segments as that of the retro Bonnie (Lagerström, 2004). Mucchietto’s statement below indicates that there is further room for expansion in the product portfolio towards a more “general segment” meaning non-racing.

*“...brand heritage in the core business, in the off road business, is something that in my opinion is not key for suc-*

*cess. Brand heritage can be one of the strong points when we will be marketing our bikes in a more general segment, like the hypermotard 1000 cc class where you will not have racing customers, but you will have simply people how will be attracted by design and by fun-promising level. Then people is also buying a brand, a status symbol, and this can be built up through brand heritage.” (Director, sic)*

Perhaps HQM does not need to attract only those who know perfectly the history of the Silver Arrow as a brand, but rather the much larger and increasing crowd who appreciate retro design (Brown, 2003), “fun-promising” motorcycles (Director) and top modern technology.

In terms of community, HQM enjoys loyal customers from the past and today (Arioli e.g.). The brand community is strong (Husqvarna Motorcycles & BMW Group, 2008) and the nostalgia clubs already today serve this purpose of an idealized past, something a retro brand can profit from, with expert input in design and usability, making sure the retro model is true to its legacy. Retro design together with new technology is a proven concept in many product categories (Brown et al., 2003) apparently so also in the motorcycle industry. The Bonneville even hides the top modern fuel injection inside what looks like the carburetors used on the original bike; an example of how technology today can help bring the retro look while actually being hi tech. Just as there is no contradiction in being top modern, hi tech and at the same time communicating the company’s strong heritage (Urde et al., 2007), there is no contradiction - but rather an advantage, in producing a retro product with the strongest of history, and packing it with the latest of discrete technical solutions (Brown et al., 2003). The Bonneville on the other hand receives critique for not having enough torque at the bottom even for a Sunday cruiser (Chuck Hawks, 2001), something HQM proudly presents as their strength in many of their engines, and has done so since the beginning of their racing activities (Husqvarna Motorcycles & BMW Group, 2008; Arioli 1).

Although the retro model could be seen only as a medium to bring attention to the reconnection to the company’s history, it may also be introduced for profit reasons. There are only so many motorcycle manufacturers in the world that enjoy the opportunity to celebrate more than a hundred years of motorcycle design. A company by definition (Brown et al., 2003) needs to reach a certain age to make use of retro design, and the design of the 50-60’s has proven to be a well accepted raw materials source for a retro product in the automotive business. Quite naturally, one part of the customer base for such a product must be fading away; the part that *remember* the original and the era it represents. The generation of the author can only appreciate, never remember, the design and days of the 60’s for instance. For this reason the author argues that HQM may not be able to wait too long and no time is better than now when HQM makes serious efforts in learning about their past. There is a brand community available to answer questions the factory might have on the Silver Arrow. There is great knowledge in the Husqvarna Factory Museum and its protector Roland Arréhn. The economical feasibility of the project can arguably be seen in a broader picture, perhaps taking in consideration the media attention and the partial purpose the product serves, namely bring attention to HQM as a brand with heritage, a steadfast keystone to rely on when or if rickety racing results would fail on the company. A strong relationship to the brand community can give a hint on beforehand how a retro product might be perceived. A limited production series may show exclusivity and can in best of cases warrant for all bikes to be sold, albeit an assumption by the author however supported by the fact that this too has been done in the company’s past; recently with the NOX-bike in 2002 and the centennial bike in 2003 (Arioli 1).

## 7 Conclusions

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*Having researched the Husqvarna brand identity from the inside of the company, studied the theory on brand identity, brand heritage and retro brands, as well as discussed the possibilities for HQM to use these concepts to strengthen the brand identity, the author will now present the conclusions of the study.*

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### 7.1 Brand Heritage

*How do companies with a history use its heritage to strengthen their brand identity?*

*What are the commonalities for these companies and in the theory, and what patterns apply?*

In order to better understand and answer these two questions the author turned to theory and real life examples, which both describe heritage as an opportunity to differentiate the heritage brand from the competition; communicate credibility and trust through its longevity and with these and common softer values create both value in the brand as such, and the ability to motivate higher prices and thereby profit margins. Playing the heritage card makes sense for all companies with a heritage to use. Being hi tech and modern is not contradictory to using the heritage in the identity. Heritage brands “are about both history and history in the making” (Urde et al., 2007, p.7) as Morgan cars, with its “continuous historical” brand would prove.

*Is HQM a heritage brand or a brand with heritage?*

Whereas Morgan Cars is a true heritage brand, fulfilling all of the criteria by (Urde et. al, 2007) HQM is a brand with heritage in the process of taking a strategic decision (Urde et al., 2007) to use its heritage as a tool to strengthen the brand identity, hence on the way to become a heritage brand in the true meaning of the definition. They qualify on many of the criteria the above authors propose.

### 7.2 Retro Brands

*Can a retro product be a useful vehicle for HQM in order to uncover its heritage?*

Through studying the retro branding theory the author recognized the Triumph Bonneville, and together, the real life case and the theory found Husqvarna Silver Arrow as a viable contender to a retro brand for Husqvarna Motorcycles to revive. It meets all of Brown et al.’s criteria for brand revival, which makes it an important heritage carrier for HQM to investigate. Starting to refer back to the company’s history all of a sudden might confuse the customer, since it is a new strategy. However pointing at an actual product that speaks for itself in much the same way as the Bonneville does for Triumph, further connections to the heritage of HQM will then be easier to adopt and has a better chance of making sense with the customer. The Silver Arrow serves as an ice breaker, a vehicle to carry the heritage to surface, and a tremendous PR magnet.

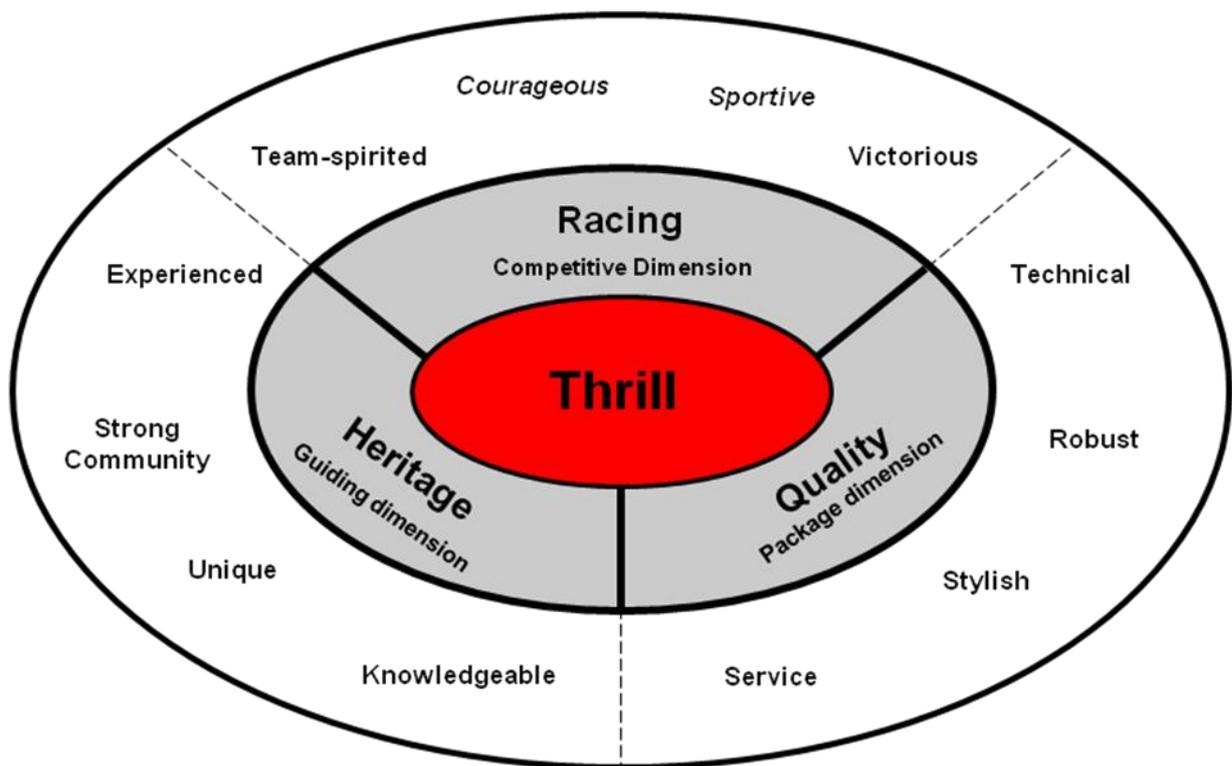
### 7.3 Complete Brand Identity

*What is HQM's brand identity today and how well does it reflect the company history?*

The brand identity can according to both the studied theory and the company's Fried Egg be divided in the core identity and the extended identity. The core identity of HQM is said to be the *thrill* in riding. This is consistent with the marketing campaigns of the past however not as a single core identity, but rather part of a threefold strategy, where Racing and Quality are equally important. The *Thrill* in the Husqvarna motorcycle is hard to measure and defend as a unique feature and should rather be the soul of the company, as a guiding mentality.

Husqvarna Motorcycle's brand identity is threefold: Heritage, Racing and Quality. These three dimensions clearly guide the extended identity where design, personality, technique and service are found. The Fried Egg should be easily understood by all stakeholders, and the final product of my research can therefore be illustrated as:

Figure 8: The Fried Egg Redefined



Redefined Brand Identity by Victor Gårdh, 2009. Based on Husqvarna Motorcycles Fried Egg.

### 7.4 Final Comments:

This is a company that has all the pieces of the puzzle, but needs to understand where they all go. The *soul* of the company can perfectly well aim at being *Thrilling*, as a permeating mentality in all actions of the company. Furthermore, the *core values* of HQM are, according to the author's reflections, Quality, Racing and Team Spirit as this, according to Kapferer needs to be grounded in the company's heritage and roots (Kapferer, 2004).

### **Suggested ways of using the heritage in marketing campaigns:**

- *Thrilling motorcycles since 1903*
- *Thrilling your mind since 1903*
- *The Thrill in Riding. Since 1903.*
- *Adrenaline Junkies Since 1903.*
- *We Race Differently. 74 World Championships Says We Did Something Right.*
- *Husqvarna: Racing Differently Since 1903*
- *1903: A bike with a 1,25 hp engine. 2009: TC250 - A Winning Race Machine*

## **8 Further Research**

An excluded research question will exemplify the further research possible for this company.

- Is the history of HQM sufficiently recognized in all the markets to strengthen their brand identity with a retro product?

The analysis on retro product impacts on the HQM customer can and should be done in all countries where HQM is present, most interestingly perhaps in America.

Another, more theoretical, discussion would evolve from studying several companies with a “broken past” – old brands that have changed owners and countries many times over and thereby lost or, more pleasantly, managed to preserve its heritage throughout the presumably difficult transitions.

Strategic alliances are important to brands with heritage, an example being BMW – Morgan, or Morgan – Hublot (watchmaker). Are heritage brands more prone to seek alliances? What benefits does a heritage brand motivate when seeking alliances?

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## 10 Appendices

### 10.1 Appendix I

#### Questions Used During Interviews

These base questions were asked during the week in Italy. Many are similar to each other and many were not used for the direct purpose of this thesis, however were very important to the overall understanding of a very interesting company. Many of the questions around the brand identity were deliberately asked to several of the employees from different angles and with different formulations. The questions below are therefore not the only ones asked, and not the exact formulations. They served as a basis for the semi-structured interviews.

What is brand identity and why is it important to HQM?

What is your target group?

Who is your main competitor in the Enduro segment?

What is the weak point of HQM before the acquisition?

What were the changes after BMW bought HQM?

What does the red color mean for Italy? For HQM?

Where are the main markets? Eastern Europe, Russia?

Who is the main competitor?

How long have you been writing the newsletters of the company and what impact has it had on customers' loyalty and their behavior?

What are the media sources to send the newsletters through?

What is the increase of newsletters starting from 2004?

Since the acquisition of BMW what are the primary changes that have taken place? What are a few of the goals in the near future? How to communicate with the new shareholders?

Through which magazines do you communicate?

What are your current limitations and challenges in communication strategy?

How do you try to reach the youths?

What do you do to attract customers' loyalty?

What are the latest accomplishments that increased the sales?

How did the acquisition with BMW impacted on HQM? Did you gain more respect in competition?

What are the goals you want to achieve for this year?

How much time and HR is needed to create the advertisements?

What is the perception of product and quality among your customers?

What is key strategy of public relation for the last year?

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?

What are the primary things you want your customers to pay more for?

What is the influence of Swedish company to your brand?

What is the situation with brand identity in US?

Can you use the brand and logo of HV for other products?

Is KTM a main concern for your current production forecasts?

How does the Italian culture perceive and translate your brand image? Do they totally perceive the name?

What are the thoughts about Swedish production?

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?

Have the choice of colors affected the way that people in Italy accept and promote your brand?

Is the relationship between Swedish and Italian technology good and how is it compared in Italian culture?

What is your policy to voice the retailers concerning services and customers?

How will being part of BMW benefit Husqvarna Motorcycles (HQM).

Will BMW help to bring HQM into a more strategic position in the market and if yes please give a few examples?

What was the primary reason of the acquisition and how has it been received by the employees of the company?

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?

What is the technological reason for moving to 2stroke to 4stroke?

What is the reason they moved so many times back and forth from 2 stroke to 4 stroke?

What do you think about colors of HQM?

How would you describe the typical HQM dealership?

What was the defined marketing strategy?

How long have you been working in HQM?

What is brand identity to you and why is it important?

Are you going to have standard in marketing strategy?

What were the problems of undefined strategy?

What is the impact of BMW to HQM brand identity?

Should we communicate HQM with Italy (style) and with BMW, Germany (quality, reliability)?

Why did you decide to start the marketing research?

How will you try to communicate the new brand identity to suppliers, importers, end customers?

How important are the colors of logo?

How do you understand without marketing research how the brand is perceived by customers?

How are you going to use the retailers for gathering the info about customers?

How do you solve the problem of lack of brand image of retailers?

What do you want to improve in the future in the relationship with retailers?

What is the slogan for different markets?

## 10.2 Appendix II

### The Functions of the Brand for the Consumer

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Function	Consumer benefit
Identification	To be clearly seen, to make sense of the offer, to quickly identify the sought-after products.
Practicality	To allow savings of time and energy through identical repurchasing and loyalty.
Guarantee	To be sure of finding the same quality no matter where or when you buy the product or service.
Optimization	To be sure of buying the best product in its category, the best performer for a particular purpose.
Characterization	To have confirmation of your self-image or the image that you present to others.
Continuity	Satisfaction brought about through familiarity and intimacy with the brand that you have been consuming for years.
Hedonistic	Satisfaction linked to the attractiveness of the brand, to its logo, to its communication.
Ethical	Satisfaction linked to the responsible behavior of the brand in its relationship towards society.

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Adapted from Kapferer (1997)

Adapted from *A Brand Building Literature Review* (Francisco Guzmán) originally Kapferer (1997).

## 10.3 Appendix IV

### Brand Identity Workshop: Questions for HQM

The following bullet points are found in the *Brand Identity Workshop Document* (Husqvarna Motorcycles & BMW Group, 2008) provided by HQM. It contains the basis for the discussion and interviews around HQM brand identity. It shows how far HQM has reached in their internal evaluation of the brand.

#### What is The Slogan For HQM?

Before: “Husqvarna – **Play** Different”

Today: “Husqvarna – **Race** Different”

#### What is the vision and the mission for the brand?

- To become the most desirable off road brand.

#### What are the values the brand shall stand for and differentiate vs. competitors?

- Outstanding Styling, High Value in Detail
- Able to win in all “short distance” Off Road Sport Categories (not Paris Dakar)
- Simple and Clever Solutions (Less can be more)

#### Which USP’s (unique selling points) will the brand claim for the future?

- Design, Lightweight, Essential

#### What are the key factors which will influence the brand in the future? (environment, legal issues).

- Noise Regulations (70%) Emissions (30%)

#### What are the core pillars of the future business / brand?

- 4-Stroke and 2-Stroke Competition Bikes and derived Dual Sports bikes (Supermoto, Hypermoto) are the financial backbone.
- Children Competition Bikes and Entry Level Bikes (125 cc) to catch the young customer

#### What should the target group perception be like in 5 and 10 years?

- Husqvarna is a winning product
- This is achieved with clever technical solutions
- Husqvarna is high value in terms of styling (bikes and details)
- Husqvarna is continuously presenting new bike concepts / categories
- Husqvarna stands for robustness and excellent customer Service

#### Which customer needs can be satisfied (emotional/functional)?

- Having a product of a brand, which was and is influencing Off Road Sports not only by victories, but also by new impulses.
- The Technology focuses to what makes you fast and is taking your brain. The Style of the bike is taking your heart.
- Owning a Husqvarna allows to be part of an incomparably strong brand community.

**Which customer relevant benefit(s) can credibly be claimed by the brand and offer(s) a sustainable differentiation vs. the competition?**

- Husqvarna own Styling
- Torque at the bottom
- Innovative in concepts
- The complete Package is key to success
- Strong History of the Brand

*Brand Identity Workshop, Husqvarna Motorcycles, (p.38-42)*