

Chapter 5

Combining Radical Transparency With the Brand Pentagon

ABSTRACT

This chapter completely covers the process of building and managing the brand through the concept of radical transparency. If it is more than certain that the brand equity is a source of sustainable competitive advantage, than it is important to find the best way to build and manage it. This chapter includes each phase of the model named as the brand pentagon: birth, definition, articulation, measurement and expansion of the brand. The model is a compilation of recognized models from world-famous authors, globally validated by major corporations worldwide. The detailed analysis presents the importance of each stage in completing the mosaic called the brand. The brand birth is the initial stage, directly related to the vision of the brand, and the brand-dependent areas: the environment in which the brand is developed. Next, the brand definition analyzes the brand reasons, through positioning and mapping. In the brand articulation phase the ways of brand communication are discussed. The brand measurement and expansion are elaborated in the fourth and fifth stage. The process of building and managing the brand is summarized with a discussion over the need to create a separate culture of nurturing the brand and living for the brand, by building a so-called brand culture and brand company.

INTRODUCTION

This chapter completely covers the process of building and managing the brand through the concept of radical transparency. If it is more than certain that the brand equity is a source of sustainable competitive advantage, than it is important to find the best way to build and manage it. This chapter includes each phase of the model named as *the brand pentagon*: birth, definition, articulation, measurement and expansion of the brand. The model is a compilation of recognized models from world-famous authors, globally validated by major corporations worldwide. Through a logical sequence, gradually systematized and analyzed, all the activities complete the process. The detailed analysis presents the importance of

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each stage in completing the mosaic called the brand. The exercise of the previous forms the foundation for the next phase. The brand birth is the initial stage, directly related to the vision of the brand, and the brand-dependent areas: the environment in which the brand is developed. Next, the brand definition analyzes the brand reasons, through positioning and mapping. In the brand articulation phase the ways of brand communication are discussed. And as the name suggests, in the fourth and fifth stage the brand measurement and expansion are elaborated. The process of building and managing the brand is summarized with a discussion over the need to create a separate culture of nurturing the brand and living for the brand, by building a so-called brand culture and brand company.

Regardless the state – a developed economy or a developing economy, each brings specific challenges and opportunities. The issues the companies face are somewhat different, but one thing is common to all: it is necessary to develop and then implement a suitable model for building the brand that will satisfy the specific requirements for each individual example. Most of the world recognized and applied models for building brands were developed and refined through the American and/or European perspective. These models include: the process of brand management by David Arnold, the strategic brand management by Kevin Lane Keller, the guide for building brands by David Aaker and the brand program of Jean-Noel Kapferer. The aforementioned models will be briefly explained, followed by a detailed elaboration of the model named the brand pentagon that represents a sublimation of the above models, with the intention to involve all key elements of the process of building the brand, of course, with the necessary adjustments in a particular case. What is crucial for the success of the new business model is the transparent approach in the planning and execution of each element of the process of building and managing the brand, because it is the only way to reverse the mistakes and shortcomings in the process. With a proper involvement of all key internal stakeholders - managers and employees in the process of building and managing the brand through radical transparency, the ultimate goal of any business - creating a brand company can be achieved.

- **The Process of Brand Management by David Arnold:** This model is designed with the intention to serve existing brands as a way to check the current situation and support the transition to a higher level (Arnold, 1992). The first stage is the market analysis. Market analysis should consist of: analysis of sales volume, the value of sales, geographical analysis, seasonality, etc. Further analysis should refer to customers: the range of use, frequency of use, the differences among consumers and so on. The next stage is the analysis of the brand situation, where the brand is analyzed through these issues: growth, efficiency, benefits, attributes, positioning, packaging, price level and the like. This stage is not relevant in the case of creating a new brand. The third phase concerns targeting the future position, so, for example, how will a manufacturer of shampoos attract the largest number of new customers: if the brand relates to hair conditioner or shampoo for dandruff? Will it be in the premium category or an ordinary shampoo, and can it be two in one - a shampoo and conditioner? This phase defines the answers for such issues. In the fourth stage, the positioning and the offer developed in the previous phase are being tested: how this offer will operate in the market. Testing is mainly delivered through simulations or test operations on the market. Often, both are applied, in order to minimize potential risks and negative effects on the company. The fifth or the last stage is the brand introduction or its commercialization and the start of the formal planning and the evaluation process. This model helps managers and employees to easily plan and realize the launch of the company's brand. In real terms, the process is repeated annually, in order to provide "the good brand health".

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