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Job dimensions of brand managers in the tobacco industry

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JOB DIMENSIONS OF BRAND MANAGERS IN TOBACCO INDUSTRY

This study explores the job dimensions of brand managers working in tobacco industry and the way brand management system is implemented in the industry. Literature review of this study draws together relevant research and literature on this topic, based on which the conceptual framework is formed. Empirical part of this study investigates the state of tobacco brand managers' job dimension concentrating on internal organization structure as well as on industry specific skills and brand management tools.

The empirical part of this study was conducted by interviewing current and former marketing employees of two different global tobacco companies. More specifically two brand managers, a product manager, a brand director and a former marketing director who had worked for a global tobacco company were interviewed for the study. The interviews covered the most important job areas of tobacco brand manager, relationships with internal and external members of brand supporting team as well as industry specific skills and views on the future of the industry from brand management perspective. Even though most of the interviewees had vast international experience and represented four different nationalities, it has to be noted that the results cannot be straightforwardly generalized as limited amount of respondents and regional aspects (none of the interviewees had worked outside Europe) might affect the results.

The data was analyzed using a classification method. First step was reduction where gathered material was simplified. Second step was clustering where the simplified material was divided into groups. Final step was abstracting during which theoretical concepts were created,

Most important findings of this study are the skills and the characteristics separating the tobacco brand managers from their colleagues in other consumer goods industries. Another interesting finding is the ongoing shift in tobacco brand management from consumer focus to trade focus.

This study offers an overall view on the job dimensions of tobacco brand manager and the way that brand management system is implemented in the industry. This serves as a basis for further quantitative and qualitative studies for example in regions countries, and in investigating this issue further.

KEYWORDS: brand manager, brand management, tobacco industry, job dimensions

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BRAND MANAGERIEN TYÖNKUVA TUPAKKATEOLLISUUDESSA

Tämä tutkimus tarkastelee brand managerien työnkuvaa tupakkateollisuudessa sekä tapaa, jolla brändin johtaminen on tupakka-alan yrityksissä implementoitu. Kirjallisuuskatsaus vetää yhteen aiheeseen liittyvän, olennaisen tutkimuksen ja kirjallisuuden, jonka pohjalta tutkimuksen teoreettinen viitekehys on muodostettu. Empiirinen osa käsittelee sitä kuinka organisaatiorakenteet vaikuttavat brand managerien työnkuvaan. Lisäksi empiirisessä osassa tutkitaan tupakka-alalla toimivien brand managerien erityisosaamisia ja alalla käytettäviä merkkijohtamisen työkaluja.

Tutkimus toteutettiin haastattelemalla kahta brand manageria, tuotepäällikkö, brand directoria sekä markkinointijohtajaa. Kaikki haastateltavat, markkinointijohtajaa luukuun ottamatta, olivat töissä globaaleissa tupakkayrityksissä. Markkinointijohtaja oli sitä vastoin ollut aikaisemmin töissä globaalissa tupakkayrityksessä. Haastatteluissa käsiteltiin brand managerien keskeisiä työnkuvia, heidän suhteita sisäisiin sekä ulkoisiin brändin rakennusta tukeviin tahoihin, alalle keskeisiä osaamisalueita sekä alan tulevaisuuden näkymiä brändin johtamisen näkökulmasta. Haasteltavat edustivat neljää eri Eurooppalaista kansalaisuutta ja yhtä lukuun ottamatta jokaisella haasteltavista oli vankkaa kansainvälistä työkokemusta. Tutkimuksen tuloksia ei voida kuitenkaan suoralta kädeltä yleistää johtuen otoksen rajallisuudesta sekä siitä, että kaikki haastateltavat tulivat Euroopasta.

Tutkimusmateriaali analysoitiin luokittelu-metodilla. Ensimmäinen askel oli supistaminen, jossa kerätty tutkimusmateriaali saatettiin yksinkertaisempaan muotoon. Toinen askel oli klusterointi, jossa yksinkertaistettu materiaali jaettiin ryhmiin. Viimeisessä vaiheessa tutkimusmateriaali vietiin abstraktille tasolle, mikä johti teoreettisten konseptien kehitykseen.

Kyvyt ja piirteet, jota erottavat tupakka-alalla toimivat brand managerit päivittäistavaroiden parissa työskentelevistä kollegoistaan, ovat tämän tutkimuksen keskeisiä tuloksia. Toinen keskeinen tutkimuksen tulos on alalla tapahtuva muutos, joka siirtää brand managerien fokuksen kuluttajista kauppaan.

Tämä tutkimus tarjoaa yleiskatsauksen tupakka-alalla toimivien brand managerien työnkuvaan sekä kuvaa sen, miten brändin johtaminen on alalla organisoitu. Tämä tutkimus muodostaa pohjan useille jatkotutkimusvaihtoehdoille sekä kvantitatiivisesti että kvalitatiivisesti esimerkiksi eri maissa tai muutoin aihetta syventämällä.

AVAINSANAT: brand manager, merkkituotteen johtaminen, tupakkateollisuus, työnkuva

Table of contents

Table of figures

1. Introduction

The tobacco industry, which faces stagnation of demand in its traditional markets, is a mixture of some of the most powerful multinational companies in the world (van Liemt, 2002). Tobacco companies have adjusted to the rapidly changing environment by taking over competitors and streamlining their operations. They have also tried to reduce their dependence on traditional, slow growing markets through diversification. This diversification has several dimensions: diversification by market segment, by target group, by tobacco product, by non-tobacco product and by geographical region. In part, and sometimes in large part, diversification has been achieved through mergers and acquisitions. Most importantly, diversification is achieved through thoughtfully structured brand portfolios.

It is often said that brands are companies' most important assets (e.g., Kapferer, 1997, 15). But creating and communicating brands that will stand out from all the other relevant brands in the market is extremely difficult. To achieve this challenging goal, companies usually complete two important steps. First they organise their brand related activities under a brand management structure. Second they create and follow holistic brand strategies. But these twp steps only create an environment that may or may not lead to the expected results. Brand managers do the actual implementation of these holistic brand strategies.

The tobacco industry is one of the most strictly regulated industries in the world (Mackay & Eriksen 2002). Massive amount of regulation is especially related to the marketing activities in the industry. At the same time, tobacco brand managers are expected to create and manage global, regional and domestic brands to achieve the strategically important diversifications. In the end the role of the tobacco brand manager is mostly the same as the role of a brand manager in a fast moving consumer goods industry except that the tobacco brand manager has to achieve same goals with their hands tied behind their backs, metaphorically speaking, by the gradually toughening regulations.

1.1 Previous studies

Most of the components of this study have been studied throughout the years. The tobacco industry and brand management are fairly well known subjects. On the other hand the research of the brand managers' job dimensions has missed the same magnitude of academic attention.

Most studies related to the tobacco industry focus either on the adverse effect of the tobacco products on people's health, tobacco control and legislation. Then there are studies related to the structure of the industry, the impact that the industry has on economies as well as studies related to the marketing in the industry. Nevertheless there is an extremely limited amount of research done on the job dimensions of tobacco brand managers.

The brand management structure is widely used in the organisation of marketing activities within multiple brands firms. According to existing literature, product/brand management is a system, which was developed in 1927 by P&G (Lief, 1958; Eckles and Novotny, 1984; Howley, 1988), or earlier (Yon and Panigyrakis, 1987). It took root mainly in the multiple product consumer goods companies (Buell, 1975; Low and Fullerton, 1994). It is used by companies in Australia (Dawes & Petterson, 1988), New Zealand (Lysonski & Dursvasula, 1990; Murphy & Gorchels, 1996), France (Panigyrakis and Glynn, 1992), Greece (Panigyrakis & Veloutsou, 1999a; Panigyrakis & Veloutsou, 1999b) and sectors apart the fast moving consumer goods industry, such as computers (Amos, 1997), industrial products (Dawes & Petterson, 1988), pharmaceutical products (Kleizen & Beaton & Abratt, 1985; Panigyrakis & Veloutsou, 1999a; Panigyrakis & Veloutsou, 1999b) and even in the services sector (Hankinson & Cowking, 1997). But despite the growing amount of studies related to the brand management system, the brand management system in the tobacco industry has seldom been studied.

Panigyrakis and Velotsou are probably the most experienced researchers when it comes to the job dimensions of brand managers, but even they have left the job dimensions of tobacco brand managers untouched. This is despite the fact that branding has been an important aspect of the tobacco industry since the late 19th century (Mackay & Eriksen 2002) and the fact that cigarettes are possibly the most marketed product in the world (WHO 2008, 58).

1.2 Problem setting and purpose of the study

As their job title indicates, brand managers manage their brands and have a broad range of marketing-related responsibilities (Katsanis & Pitta, 1999). Research indicates that the brand managers' responsibilities include various tasks related to market analysis, planning, implementation and coordination of activities, evaluation and control of the marketing mix and training of colleagues in brand-related issues. They perform their duties in cooperation with a number of internal and external specialists (Panigyrakis & Veloutsou, 1999). Therefore, they normally act as the central point of informal team, which supports their brands (Veloutsou & Panigyrakis, 2001), with members who could be identified by those developing the brand strategy (de Chernatony & Harris, 2000). However, brand managers normally occupy a staff position, and their jurisdiction over the members of the team is questionable (Murphy & Gorechels, 1996).

As Panigyrakis and Veloutsou (1999a, 1999b) describe, brand managers have a boundary role, since they operate as co-ordinators and central transmitters of information for their brands, and lead an informal team (Veloutsou and Panigyrakis, 2004). However they frequently have limited direct authority and control over the team members (Strieter & Gupta & Raj & Wilenon, 1999) and must secure support from different organization levels (Panigyrakis & Veloutsou, 2000).

3

Nevertheless brand managers' decision-making power is limited by factors such as product groups, competitive situation of the market, complexity of the distribution channels and characteristics of market segments. The study by Panigyrakis and Velotsou (1999a) reveals that industries carry a significant influence on the brand managers' job dimensions.

Some argue that brand managers are involved with various strategic decisions and the medium- and long-term development of the brands (Lambin, 2000), while their primary role can be seen as a coordinator or a planner. Others believe that the brand managers' manager role follows a pattern, involving transition through a series of stages of increasing involvement and responsibility, varying from a support role to a mini marketing director role (Panigyrakis & Glynn, 1992). However, research reveals that they normally do not have the anticipated strategic focus (Velotsou, 2002). Whatever the context analyzed, the most important aspect of the job is the development of short-term programs and the implementation of these programs (Hankinson & Cowking, 1997), with the brand managers acting as middle managers (Panigyrakis & Velotsou, 1999a).

The aim of this qualitative research is to contribute to the extensive research of brand management structure and especially to the research regarding the role of brand managers. This research aspires to explain how tobacco industry influences *the job dimensions of a brand manager* and by doing so, fills a knowledge gap in the field of brand management

The **research questions** are the following:
- Which members of the brand supporting team do brand managers regard as the most important and which members demand the highest level of contact?
- Are goals and expectations communicated clearly to the tobacco brand managers?
- Which brand management tool/s are emphasized by the tobacco industry?
- What are the skills that separate tobacco brand managers from their colleagues in fast moving consumer goods industries?
- What are the tobacco brand managers' perceptions on the future of their positions?

The research questions are being elaborated throughout the theoretical part of this study as the questions are in line with the questions used in previous studies regarding job dimensions of brand managers in various industries (for example brand managers in the automobile industry [Velotsou, 2002] and the pharmaceutical industry [Panigyrakis & Velotsou, 1999b]).

1.3 Definitions and limitations and structure of the study

Brand is distinguishable name or a symbol (such as logo, appearance or package design), which aims at differentiating the product or the service from the other similar products and services on the market. Brand communicates the source of the product or service and thus protects the brand's owner from competitors with similar kind of offering. (Aaker 1991, 7; Keller 2003, 3)

Brand manager is responsible for the holistic management of the brand (Panigyrakis & Veloutsou 1999a, 498; Velotsou & Panigyrakis 2004, 105). In this study product managers are considered to carry the same brand related responsibilities as the brand managers do.

The product/brand management structure is an organization structure, which is used to support the marketing activities of companies that produce a variety of different products/brands. The system was developed in 1927 by Procter & Gamble (Lief, 1958; Bull, 1968; Eckles & Novotny, 1984; Howley, 1988), or maybe even earlier by other owners/entrepreneurs (Dietz, 1973; Low and Fullerton, 1994), and has served until now a number of multiple product/brand companies.

Tobacco industry comprises those persons and companies engaged in the growth, preparation for sale, shipment, advertisement, and distribution of tobacco and tobacco-related products.

There are some elements in brand managers' job dimensions that are not directly related to the brand management function, and therefore these elements are *limited out* of this study. Firstly the analysis on the influence of relationships on the brand managers' job dimensions is only briefly mentioned in this study even though the relationships play extremely important role in brand managers' every day job (see members of the brand supporting team by Velotsou and Panigyrakis [2001]). The deeper review of relationships is excluded to keep focus on brand management. Secondly the focus of the study remains quite heavily on the tobacco brand management in Europe as none of the interviewees have actually worked outside the continent. Even though the level of tobacco industry regulation fluctuates and has fluctuated quite heavily on the European level, a similar study with tobacco brand managers from other continents might provide quite different results. With more loose regulation tobacco brand managers are able to use very broad range of brand management tools, which also impacts on the composition of the brand supporting team as well as on the role of the tobacco brand managers in general.

This study is divided into two main sections. The first part of the study is a theoretical review, in which the basic elements – tobacco industry, brand management system and brand managers' job dimensions – are dealt with in the basis of field's scientific literature. The theoretical section of this study begins examining the subject by a general perspective of the tobacco industry and marketing activities in the industry. After the introduction of the industry in chapter two, prior studies related to brand management structure and the job dimensions of a brand manager will be presented in chapters three and four. The theoretical framework, which sums up the three previous chapters, will be presented in chapter five, prior to the chapter on methodology of the research in chapter six. After the chapter on methodology, findings of the research will be reviewed in the seventh chapter. The report is concluded with a discussion and by presenting the limitations of the research in the eighth chapter.

2. The tobacco industry

The second chapter of this research begins the theoretical section by introducing the tobacco industry. The first sub-chapter describes the competition in the tobacco industry by presenting size and growth of the global tobacco product market as well as by showing the global market shares of the big tobacco companies. The second sub-chapter helps to understand the level of regulation in the industry by describing the regulatory actions taken by governments. The third sub-chapter is about the adaptation of the tobacco companies to the regulatory actions. The fourth sub-chapter gives a picture of the marketing activity in the industry and finally the fifth the sub-chapter takes a glimpse into the future of the industry.

2.1 Competition in the tobacco industry

The tobacco industry is a mixture of some of the most powerful multinational companies in the world (van Liemt 2002). These powerful multinationals compete in a market, which in 2008 grew by 3,4% to reach a value of €309.7 billion. In 2013, the global tobacco market is forecast to have a value of €356,4 billion, an increase of 15.1% since 2008 (Data Monitor. 2009). The world cigarette market, with cigarettes generating 92,7% of the tobacco market revenue, is broadly stable with around six trillion cigarettes consumed globally each year. China accounts for around a third of total global consumption (Datamonitor, 2009). The past year has seen significant change among the largest tobacco companies, with Imperial Tobacco's acquisition of Altadis (Imperial Tobacco: Annual report, 2009), formerly the fifth largest company in the industry, and Altria retaining its operations in the USA and spinning off its international tobacco operations to form Philip Morris International (Philip Morris International: Annual report, 2008). The five largest tobacco companies are Philip Morris International, British American Tobacco, Japan Tobacco, Imperial Tobacco and Altria. The respective cigarette market shares are 24 per cent, 19 per cent, 17 per cent, 9 per cent and 5 per cent. Together, they account for 74 per cent of the total cigarette market. (Figure 1.)

Figure 1: Global market shares % (Datamonitor, 2009)
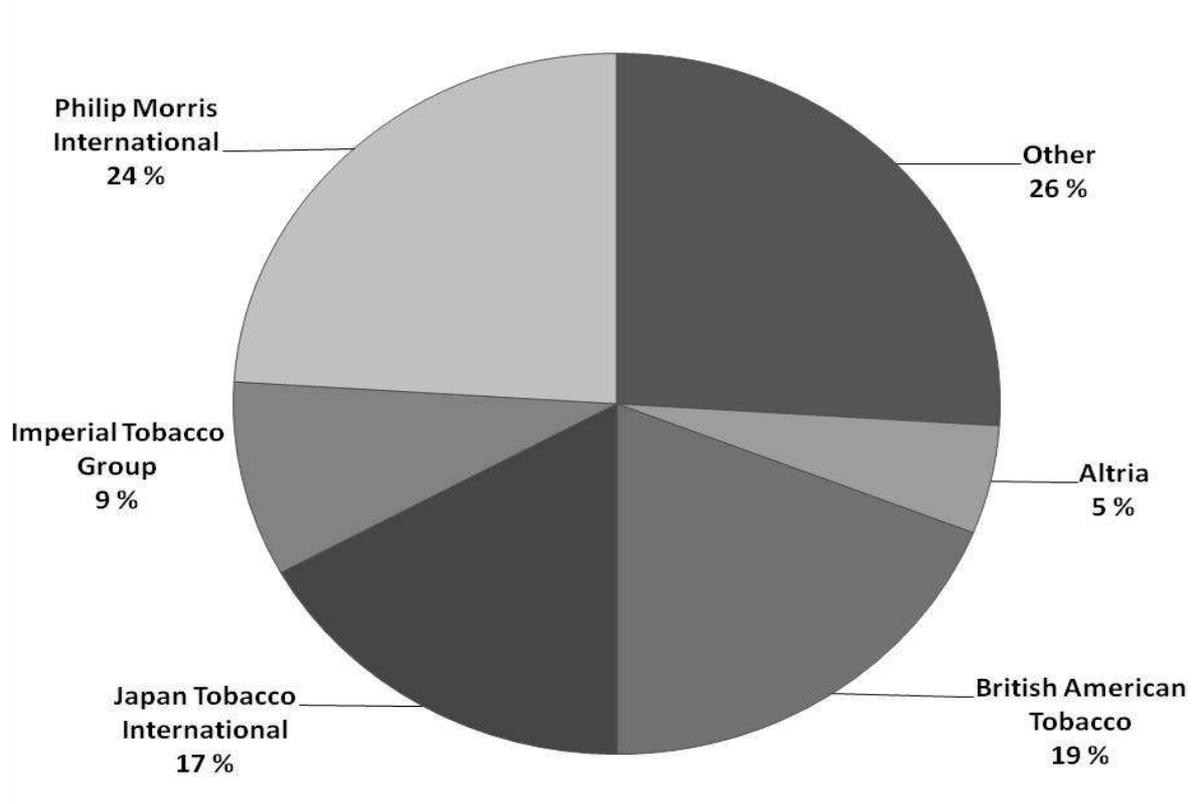
Despite the huge value and visible growth, the tobacco industry is no longer growing at the steady pace of the years prior to 1990. World cigarette demand was virtually flat in the 1990s. In fact demand is weak in the established markets of the OECD area. (van Liemt 2002) In North America it has been declining since the early 1970s (Mackay & Eriksen, 2002). US cigarette companies also face the problem of litigation; they are defendants in hundreds of lawsuits (van Liemt, 2002).

While the tobacco industry can be considered as mature, the tobacco companies believe that there are still many opportunities to grow profits organically and potential further acquisitions. Van Liemt (2002) sees that tobacco companies have reacted to the stagnation of demand in their traditional markets in three ways: consolidation through mergers and acquisitions, diversification by exploring new markets and new market segments as well as by raising productivity. Van Liemt's (2002) view is backed the statements and actions of the tobacco companies. For example Imperial Tobacco (Imperial Tobacco Group: Annual report, 2009), which is one of the major global tobacco companies, has based its strategy on three cornerstones: the first cornerstone is sales growth in form of balanced and comprehensive product portfolio. Second cornerstone of the company's strategy is cost optimization in form of value creating acquisitions and ability to integrate new businesses. The third cornerstone is cash utilization in form of cash flow optimization and effective use of cash. (Imperial Tobacco Group: Annual report, 2009) More precisely tobacco companies see that organic growth opportunities include volume development across emerging markets and product categories, market share gains from competitors, entry into new markets, new brand launches and the introduction of additional products in existing markets. In the context of broadly stable global market volumes and subject to specific market dynamics, tobacco companies anticipate that price increases will increase industry revenues and profits. (Imperial Tobacco Group: Annual report, 2009; British American Tobacco: Annual report, 2009; Japan Tobacco International: Annual report, 2009; Philip Morris International: Annual report, 2008)

Smoking incidence is expected to continue to decline in developed mature markets, as the percentage of smokers within total populations reduces. However, this is offset by growth in emerging market regions, as the number of adults in those regions is expected to grow. (WHO, 1997) Consumer demand is expected to continue to evolve, with ongoing downtrading (consumers switching to more inexpensive brands) in mature markets as well as uptrading (consumers switching to more expensive brands) in emerging markets. (Imperial Tobacco Group: Annual report, 2009) The last decade has been characterized by increasing regulation, particularly in mature western markets where legislation on tobacco

advertising, health warnings and smoking in public places is commonplace. Regulation is also rapidly developing in emerging markets. (Mackay & Eriksen, 2002) Excise duties have also increased, especially in developed markets and, as prices have increased, consumers seeking value have downtraded to value brands both within cigarette and into other tobacco products. As a result, the other tobacco products sector has grown and this trend is expected to continue. (Imperial Tobacco Group: Annual report, 2009)

2.2 Governments and tobacco

Governments face a dilemma. On the one hand, tobacco growing and processing can make a considerable contribution to employment, tax revenue and foreign exchange receipts. In many developing and formerly centrally planned economies, the tobacco companies have made sizeable and most welcome investments, when other investors were reluctant to do so. (Gale, Foreman & Capehart, 2000) On the other hand, governments have the obligation to protect the population's health. Smoking can be harmful to health and treating people for smoking-related illnesses is expensive. (van Liemt, 2002) This can lead to heated debates within the same government as each sector defends the interests it believes it should represent.

2.2.1 Tax income, foreign exchange earnings and direct foreign investment

The economic importance of tobacco growing and processing differs from country to country. At the national level, cigarette sales and import tax can be a main source of government revenue. (Gale, Foreman & Capehart, 2000) When the government owns the industry, it receives profits in addition to tax. That is why, in so many countries, state monopolies continue to control cigarette trade and production. In China, profits from state-owned CNTC amounted to the equivalent of $11 billion in 1999. CNTC has been the

10

Chinese state's top revenue generator for years. (van Liemt, 2002) For example Japan Tobacco International earns more than €350 million annually for the Japanese state (Japan Tobacco International: Annual report, 2009). The monopolies can also play a social function. In Italy, several of the state monopoly's factories were placed in areas hit by high unemployment (van Liemt, 2002). Then there are balance of payments issues to consider: many low-income countries rely on the export of cash crops such as tobacco to pay for the service of their foreign debt (UNCTAD, 2000).

People smoke. But whether they smoke domestically produced cigarettes using home-grown-tobacco or use imported cigarettes and tobaccos can make a world of difference when foreign exchange is scarce. That explains why so many countries try to limit the importation of cigarettes and encourage domestic producers to use local tobaccos, for instance, by providing a favourable tax treatment to companies that use a minimal percentage of imported tobaccos (UNCTAD, 2000).

According to van Liemt (2002) the cigarette companies have also been a prime source of investment in the formerly centrally planned countries of Central and Eastern Europe, and Central Asia. When others were reluctant to invest, those companies saw the possibilities offered by a combination of pent-up consumer demand, outdated production facilities and the association with freedom and western style living that so appealed to the people in these countries after many years of central planning and little consumer choice. (Mackay & Eriksen, 2002) After having lobbied successfully for the opening up of Asian markets such as Japan and the Republic of Korea, the large tobacco companies are eagerly waiting for the opening up of the other economies, notably China, that continue to restrict imports from and/or investments by foreign tobacco companies. (van Liemt, 2002)

2.2.2 Public health

Tobacco growing and tobacco processing may bring considerable economic and social benefits, but the treatment of smoking-related illnesses is costly. Cigarette smoking causes cancer. It is also addictive. (Mackay & Eriksen, 2002) The WHO (1997) estimates that tobacco products cause around 3 million deaths per year. Cigarette smoking is the major cause of preventable mortality in developed countries. In the mid-1990s, about 25 per cent of all male deaths in developed countries were due to smoking. Among men aged 35-69 years, more than one-third of all deaths were caused by smoking. (Mackay & Eriksen 2002, 34).

According to Mackay's and Eriksen's (2002) report for the WHO, so far, smoking has not had the same impact on mortality among women and among people from developing countries. There is an approximate 30-40 year time lag between the onset of persistent smoking and deaths from smoking. The effects of the greater incidence of smoking among these two groups will thus be felt with a lag, but it seems reasonable to believe that its impact on them will not differ fundamentally from that on developed country males (Mackay & Eriksen, 2002). An interaction here is the fact that life expectancies in developing countries tend to be lower – if people are not living as long, fewer will be dying of smoking-related problems.

It may be argued that smokers willingly take a certain health risk when enjoying their smoke. They like the taste and all the other things that they associate with smoking – not to mention the fact that tobacco is very addictive product. Mackay and Eriksen (2002) remind that this does not apply to environmental tobacco smoke or second-hand smoke. Non-smokers cannot escape from smoke in badly ventilated areas. To be exposed to other people's tobacco smoke can be a nuisance in addition to being a health risk for non-smokers (Mackay & Eriksen 2002, 33).

2.2.3 The way out of the dilemma

Governments are thus faced with conflicting pressures. In practice, governments have opted for several strategies, which are often put into effect simultaneously. According to Mackay and Eriksen (2002) a recent strategy consists of seeking compensation for the costs of treating smoking-related illnesses and it has been followed with success in the United States. Governments also set rules regarding the maximum content of hazardous substances in cigarettes. Most of all, however, governments try to discourage demand. (Mackay & Eriksen, 2002) This is done in a variety of ways, with some governments applying particular vigor and others taking a more relaxed approach. On the whole, however, the trend is clear; governments' rules on smoking are becoming ever more restrictive. The use of tobacco products is being discouraged in several ways.

Limitation of the space where smoking is allowed

This is done above all to protect non-smokers from involuntary exposure to tobacco smoke. Smoking is being prohibited in public places (particularly health care and educational facilities) and in mass transport (van Liemt, 2002). In many countries, legislation also requires restaurants to reserve space for smokers, while just a decade ago legislation required reserving space for non-smokers. This shows the speed and the determination with which governments are limiting the space where smoking is allowed.

Limitation by age group

It is prohibited to sell tobacco products to people under a certain age. Usually this age is 18.

Limitations on points of sale

The use of vending machines is being restricted because these cannot discriminate against sales to young people (van Liemt, 2002). At the same time some EU countries demand a license (fee) from shops and restaurants, which intend to sell tobacco products.

Health warnings

Health warnings stating that tobacco is harmful to health have become obligatory. The warnings must be placed on packets and in ads, with the authorities prescribing the text and the minimum space allotted to the warning in the ad or on the packet. (van Liemt, 2002)

Smoke-free areas

Banning smoking in public places is a public health measure to protect the health of non-smokers and encourages reducing consumption. The issue of workplace bans is primarily one of labour legislation to protect the health of workers, who are exposed to passive smoking for long periods during their work shifts, whether this be in public or office buildings, restaurants or public transport (van Liemt, 2002).

Education

Governments sponsor education and public information programs on smoking and health (van Liemt, 2002). National anti-tobacco campaigns are often aimed at the young, encouraging them not to start smoking.

Advertising bans

Restrictions concern the location of ads, the media used (no billboards, no ads in the printed media or in cinemas), the images presented (no young people, no cigarette packets), and the time when broadcasting is allowed (not during hours when children watch television). (van Liemt, 2002)

The manufacturers are unhappy with these restrictions. According to van Liemt (2002) tobacco companies see advertising as a key means for maintaining brand loyalty and a way for persuading existing smokers to switch brands. Tobacco companies argue that advertising does not increase overall consumption or cause anybody to start smoking (van Liemt, 2002). It can be argued that tobacco companies are concerned most of all about restrictions effect on the value of their prime assets, the brands.

2.2.4 Taxation

Raising the tax on tobacco products is a component of virtually every government's tobacco policy (van Liemt, 2002). On the surface, it is an attractive strategy because it raises the price of tobacco products and thus discourages demand. At the same, time taxes raise government revenue. In practice, the situation can be more complicated. First, a flat tax per packet would act as a regressive tax as it weighs more heavily on people with a low income. This effect is exacerbated by the fact that, in developed countries, this group of people uses tobacco more intensively than people with higher incomes (Mackay & Eriksen, 2002). Secondly, overall demand for cigarettes may decline so steeply that the lower sales volume outweighs increased revenue through the higher tax per packet. However, the main constraining factor is result of the tax increase.

When the prices become so high compared to those of surrounding countries that legally sold cigarettes are being substituted for smuggled ones. Worldwide, smuggled cigarettes accounted for 5 per cent of global cigarette production and 30 per cent of international cigarette trade in 1994 (WHO, 1997). Based on the most recent data, it is estimated that the global illicit cigarette trade was in 200610.7% of total sales. Illicit tobacco trade could represent a loss to government revenue of $US 40 to 50 billion annually (FCA, 2007).

2.3 The tobacco companies' response

In addition to taking over competitors and rationalizing their operations, tobacco companies have tried to reduce their dependence on traditional, slow growing markets through diversification. (van Liemt, 2002) This diversification has several dimensions: by market segment, by target groups, by tobacco product, by non-tobacco product and by geographical regions. In part (and sometimes in large part) diversification has been achieved through mergers and acquisitions.

Diversification by market segment
Cigarettes are sold in different categories, from the premium, highly-priced, high-margin category to the generic, low-margin type. The high margins of the premium cigarettes make

them attractive to produce and sell (Tauras & Peck & Chaloupka, 2006). Companies with strong, well-established, international brand names have shown to be attractive take-over candidates. But by also offering cigarettes in the cheaper categories, companies reduce their vulnerability to demand slowdowns in times of crisis, when customers trade down and buy more affordable rather than more expensive cigarettes (van Liemt, 2002).

Diversification by target group

According to Hemdev (2005) there is some evidence to suggest that tobacco manufacturers have embarked on brand extension strategies designed to reach groups recognized as more vulnerable. For example, a Liggett Group report written in the early 1960s and an R.J. Reynolds, which is a US based tobacco company, document from the 1980s reveal that tobacco companies were developing distinct appeals for different ethnic groups. Similarly, internal documents from Imperial Tobacco and newspaper reports reveal the development of specific brand extensions and advertising themes aimed at women. More recent reports document brand extensions into other categories and cite RJ Reynolds International's establishment of Salem attitude (a clothing) store and Philip Morris' introduction of a new record label linked to Virginia Slims as attempts to extend the trademark beyond tobacco company restrictions and survive marketing restrictions. (Cornwell 1997, 240–42)

According to van Liemt (2002) women and young adults are prime target groups for tobacco companies. The proportion of smokers among women is far lower than among men, which means that by successfully targeting women, a manufacturer can raise its overall market share. Manufacturers promote their cigarettes as a symbol of emancipation and independence. As young female consumers tend to believe that smoking keeps them slim the tobacco companies strengthen this value preposition through package and promotion design, producing long and slim cigarettes that are promoted in fashion magazines (van Liemt 2002).

Enomoto (2002) states that most people start smoking when they are young. Thus young adults are the other promising category of potential smokers from the companies' point of view. Nonetheless, while targeting young people may make good commercial sense, it has become highly controversial in recent years. The smoking habits of young people have moved to the centre of the debate on smoking and health. Many of the actions aimed at discouraging demand for tobacco products target youth such as banning advertisement of tobacco products in youth magazines, prohibiting the use of young people in ads as well as retail access control and education programs. The large tobacco multinationals have indicated that they are sensitive to the debate surrounding young smokers (British American Tobacco: Annual report, 2009). In many countries tobacco companies no longer advertise their products to a young audience. (Enomoto, 2000) However, it is uncertain to what extent young people pick up tobacco companies' more general adverts.

Diversification by tobacco product

Imperial Tobacco, for example, has targeted the roll-your-own market for expansion. It dominates both the supply of tobacco and that of cigarette paper for this market. At the same time Altadis became the world's leader in premium cigars, through a string of acquisitions, after which the company itself was acquired by Imperial tobacco. (Imperial Tobacco Group: Annual report, 2009)

Diversification by non-tobacco product

Several leading tobacco companies started diversification into food and other activities with a goal to make the tobacco companies less dependent on slow-growing sales of tobacco products. But as the profit margins in these industries were usually well below those attained in tobacco industry, tobacco companies have halted their diversifications and taken a step back concentrating once again fully on producing and marketing tobacco products.

For example in the 2002, Philip Morris Companies Inc. decided to change its name to Altria Group, Inc (Altria Group: Annual report 2002). The company wanted the new name to convey the diversity of the businesses in which the Altria Group companies operated

(Hemdev, 2005). In addition to Philip Morris International and Philip Morris USA, the group includes Philip Morris, Kraft foods and Miller breweries. In 2002 Altria nevertheless merged Miller Brewing Company into South African Breweries (SABMiller: Annual report 2003), followed by Altria's board of director authorization to spin off of all shares of Kraft Foods Inc. owned by Altria to Altria's shareholders in 2007. (Altria: Annual report 2007)

Diversification by geographical market

OECD-based tobacco companies are keen to reduce their dependence on their stagnant home markets and establish a presence in markets where growth is above average. After having conquered many markets in Latin America, Central and Eastern Europe and the Central Asian republics in the 1990s, the focus is shifting to the Far East. All the major tobacco companies now have a presence in Eastern Europe, Russia and the Central Asian republics. (van Liemt, 2002; Mackay & Eriksen, 2002) In other words, as markets with vocal health lobby groups have become more difficult to access, tobacco companies have re-directed their efforts to markets which lack the knowledge and resources to challenge their presence.

2.4 Tobacco industry marketing

Cigarettes are possibly the most marketed product in the world. While there is no reliable estimate of global cigarette marketing expenditures, it is clearly in the tens of billions of US dollars a year. In the USA alone, over $10 billion is spent a year on marketing cigarettes, and this at a time when advertising is prohibited on television and radio, when there are limitations on certain types of outdoor advertising and sponsorship, and when cigarette sales are falling. (Mackay & Eriksen, 2002) Despite strict limitations on marketing activities and falling demand for cigarettes, the marketing expenditures of tobacco companies have actually risen during the past decades. A good example is the US market where the consumption has been going down with accelerating speed while the marketing expenditures have skyrocketed during the same period of time (Figure 2).

Figure 2: Changes in cigarette marketing expenditure in the USA 1970–1999 (Mackay & Eriksen, 2002).
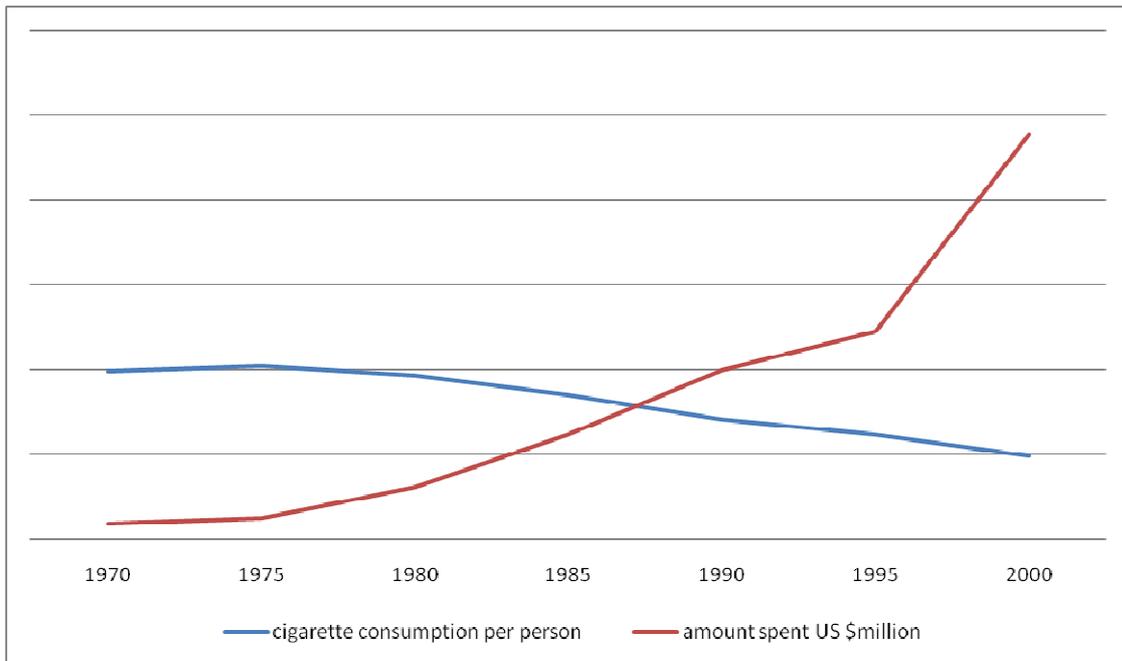
According to Mackay & Eriksen (2002) annual marketing expenditure in the US is over $200 per smoker, and over 46 cents for every pack sold. Promotional allowances, which are payments made to retailers to facilitate sales, count for 41 percent of the total expenditure on cigarette marketing. (Mackay & Eriksen, 2002)

Cigarette advertising on television and radio is common, and a variety of other venues is exploited. These include sports, arts, pop, fashion and street events, adventure tours, contests, give-aways and advertising on internet. There are also the hidden advertisements such as the placement of cigarette smoking and tobacco products in films. In addition there is sponsorship of universities, good-will donations for community events and advertising of other goods and products bearing the cigarette name. Such marketing is seen throughout both the developed and the developing world. (Mackay & Eriksen, 2002)

Branding has been an important aspect of the tobacco industry since the mechanization of the industry in the late 19th century. Each of the major tobacco companies maintained a portfolio of brands. Brands varied in taste, marketing strategies, and distribution; in contrast, there was little variation in price across brands for most of this period. This allowed tobacco companies to segment the market by various criteria such as income, region, age and gender. (Tauras & Peck & Chaloupka, 2006) The importance of strong brands as competitive elements is always emphasized by the tobacco companies in their strategies. (Imperial Tobacco Group: Annual report, 2009; British American Tobacco: Annual report, 2009; Japan Tobacco International: Annual report, 2009; Philip Morris International: Annual report, 2008)

2.4.1 Marketing mix within tobacco industry

Product

Consumer-product companies thrive on new packaging, advertising and products to keep their brands fresh and relevant to consumers. Most big tobacco brands constantly introduce new line extensions (Fairciough, 2003). According to Hemdev (2005) a key reason for many western tobacco companies' success has been their line extension strategy, which has broadened appeal to new smoker segments, while keeping the brand current and constantly in the mind of both smokers and the trade. (Hemdev, 2005)

Much of tobacco companies' latest worldwide momentum has come from the light version cigarettes. For example in Philip Morris' brand Marlboro has seen growth of sales in its light version cigarettes with an average of 21% per annum since the beginning of the 21st century; compared with just under 8% of sales growth for the original version of cigarettes (Philip Morris International: Annual report, 2008). Tobacco companies also strive to deliver innovations and refinements to products across leaf blends, new filters, new formats such as slimmer products and improved tastes in segments such as menthol (British American Tobacco: Annual report, 2009). Move towards Smokeless tobacco appears to be a recent area of new product development for the tobacco industry. (Goldberg, 2008)

Packaging

For many years, cigarette packs were hard or soft, but otherwise changed very little. In recent times, consumers have become increasingly interested in packaging improvements, and these can be a strong source of competitive advantage. (Hemdev, 2005) Tobacco companies are meeting consumer interest with a stream of packaging innovations, such as compact packs, side-opening packs, packs that open like wallets, waterproof packs, re-sealable packs to keep the contents fresher and packs with rounded edges. (Imperial Tobacco Group: Annual report, 2009)

Price

According to Tauras, Peck and Chaloupka (2006) the has been historically relatively little price competition in the cigarette market, with price changes adopted by one firm being quickly matched by comparable price changes by the other firms. When price competition has emerged, it typically has been through the introduction of "discount" and "deep discount" brands priced well below other brands. (Tauras et. al., 2006)

Tauras, Peck and Chaloupka see that some of the differentiation among brands resulted from a second major wave of price competition that emerged in the mid/late 1980s and during early 1990s. This is reflected in the growth of deep discount and discount cigarette brands. In contrast to the "ten cent brands" that were introduced by new or fringe firms in the 1920s and early 1930s, this growth resulted from existing firms' introduction of low-priced brands and/or repositioning of existing brands as discount brands. Eventually, a three-tiered price structure emerged, with the lowest priced deep discount brands, mid-priced discount brands and the highest priced premium brands. (Tauras et.al, 2006)

As tobacco companies have faced various promotion constraints including a ban on most outdoor and transit advertising, restrictions on sponsorship, a ban on product placement in movies and television shows, and others, the changes in marketing expenditures continue and accelerate the trend away from image-oriented advertising towards price-related promotions. (Tauras et.al, 2006)

Promotion

Laws governing tobacco brand advertising and tobacco companies' own restrictions on product brand communications mean that promotion now has far less relevance than the product, price and place aspects of the marketing mix, and that the mass media promotion is going or gone. Instead, tobacco companies invest in one-to-one or permission marketing, where verified adult consumers have specifically requested or consented to brand information, such as through direct mailing or face to face in age-controlled venues. (Hoek & Sparks, 2000)

This puts tight boundaries around any unintended 'spill over' to non-smokers and the under-aged. According to Hoek and Sparks (2000) one-on-one marketing is also a more intelligent form of 'precision marketing' as it enables tobacco companies to target their brand communications on those consumers who already smoke.

Sponsorhip

Major tobacco companies such as Philip Morris, Japan Tobacco International and British American Tobacco quickly recognized sponsorship that would enable them to maintain the television coverage they had lost (Sparks, 1997a). Sponsorship enabled tobacco companies to maintain their television exposure while simultaneously offering promotion extensions such as on-site advertising, product sales and corporate hospitality (see Otker and Hayes, [1987], Cornwell [1995] and Hoek, [1999a] for a discussion of the benefits thought to arise from sponsorship). Health lobbyists were quick to point out the rapid growth in sponsorship and other sales promotions, and governments have recently moved to close loopholes present in earlier legislation (Hoek & Sparks, 2000).

Although researchers are far from agreement on how sponsorship (or advertising) works, there is rarely any dissent from the view that these disciplines are used either to attract new users or to reinforce existing users (see Hoek [1999b], for a review of sponsorship research and Cornwell [1997] for an analysis of the current research into sponsorship's effects on consumers and their subsequent purchase behaviour). While it is clear that regulators have gone to some effort to eliminate sports sponsorship and sponsorship directed at or exposed predominantly to minors, in practice, tobacco companies are able to use their extensive sports sponsorship in less-developed countries to obtain a much wider international audience (Sparks, 1997a). Even where specific sponsorship regulations exist, exemptions and loopholes dilute the effectiveness of the restrictions (see Robertson & Field & Bird & Partiff 1995).

As Cornwell (1997) pointed out, the explanation is simple: sporting events rely heavily on sponsor funding and this, in turn, is typically only forthcoming if media coverage is guaranteed. Legislation, which effectively deleted publicity from the equation, led to such outrage from sporting bodies and their publics that the exemption was drafted, albeit under duress. The strategic initiatives tobacco companies have developed in third world countries have also challenged the effectiveness of recent moves to restrict sponsorship by tobacco companies. Because third world countries typically had more pressing issues on their economic and social agendas than the regulation of tobacco companies, they welcomed industries that brought the added bonus of boosting local economies. Thus the promotions, the merchandising, and the product give-aways that were so tightly regulated in Western markets were virtually unfettered. Even more importantly, many of the third world countries had, despite their economic conditions, maintained enviable records of sporting excellence. Tobacco companies were thus able to sponsor international sports teams in the sure knowledge that this would be (and could be) broadcast in those countries which banned sponsorship but which had allowed international sporting broadcasts to be exempted from this ban. Thus while sponsorship regulations in place in New Zealand, where the tobacco regulation are particularly strong, and elsewhere may have curtailed

tobacco companies' activities domestically, they have not yet managed to detract from sponsorship's ability to generate high levels of media exposure internationally. The exemptions in place and the difficulty governments have in dealing with international sponsorship agreements provided tobacco companies with clear loopholes, which they were understandably keen and quick to exploit. (Hoek & Sparks, 2000)

Communications in the hospitality industry environment
After the ban on tobacco advertising and endorsements, bars and nightclubs have become ground zero for tobacco companies to promote their products (Jarvis 2000). The companies sponsor 'adults only' events and giveaways in bars and nightclubs as a legla way to offset lost billboard ad opportunities. For example representatives of Phillip Morris were regularly seen handing out samples to smokers, but only after carefully checking IDs and even digitally photographing the recipient. These bar giveaways were conducted in US metropolitan areas. The representatives touring the bars are trained only to approach patrons who already are smoking. (Hemdev, 2005)

Below the line promotions
Below-the-line promotions such as direct mailings are major contributors in the promotion program. These have the benefits of creating a smoker database and thereby ensuring effective targeting, building up customer loyalty by offering gifts in return for proof of purchase and ultimately making the smoker a walking advert for tobacco brands for example by wearing tobacco branded clothing. (Hemdev, 2005)

Special publications
Due to increasing allegations that tobacco companies were promoting smoking to the youth, Philip Morris, in 2000, decided to stop placing ads in magazines that had more than two million readers under 18 or whose teen readership is more than 15%, as measured by independent market-research firms (Fairclough, 2000). Subsequently, the largest tobacco giants in alliances with major consumer magazine publishers have been offering different custom published magazines. These periodicals are distributed free or for low subscription

rates. Hence, the tobacco companies, restricted in the amount of advertising they are allowed in traditional consumer magazines are free to run as much promotional material as they choose. The magazines are sent to nearly five million people whose names are obtained from tobacco company databases (Masters, 2000).

Place

Where consumers buy their brands is not only a logistic issue but also an important aspect of brand communication. Tobacco companies want their brands to be where consumers want to buy them, when they want them, and to never be 'out-of-stock'. Selection of the right types of outlets is also important – for example, for premium brands to be in up-market bars, restaurants and hotels. In the fast moving consumer goods sector, getting this right takes investment in fast and efficient distribution. In order to achieve these goals, tobacco companies have excellent trade marketing teams who build and manage relationships with retailers – big and small. (British American Tobacco: Annual report, 2009) The four major retail sources of tobacco products (primarily cigarettes) are: food and beverage stores (including grocery stores and supermarkets as well as liquor and convenience stores), gasoline stations (including stations that operate convenience stores), tobacco stores and discount stores. (Tauras et.al, 2006)

2.5 Future of the tobacco industry

Demand for cigarettes and other tobacco products is being influenced by two conflicting trends. On the one hand, according to Mackay and Eriksen (2002, 90) the smoking prevalence of women is much lower than that of men; and that of developing country adults lower than people in industrialized countries. Even small increases in the percentage of women who smoke and the proportion of smokers in developing countries would significantly raise world demand. On the other hand, more and more governments try to discourage demand for tobacco products. How these different pressures will affect the volume of demand in the near future is hard to predict. The current uncertain

macroeconomic outlook is a further complicating factor. A return to the pre-1990 growth rates looks though unlikely. (Mackay & Eriksen 2002, 90)

In this uncertain situation, two key scenarios are possible for the tobacco companies. In the first scenario, privatization and trade and investment liberalization continue as they did in the 1990s (van Liemt, 2002). The companies are allowed to enter closed markets where their superior manufacturing, distribution and marketing skills and deep pockets will lead them to conquer greater market shares. Litigation and demand discouragement remain within manageable proportions. High levels of concentration at the national level remain acceptable and increase internationally, enabling them to become ever more efficient and to lower costs.

The second scenario would be radically different. Privatizations, and trade and capital liberalization come to a halt. Chinese exporters become important competitors in the Asian market. Litigation becomes an ever greater threat, with claims so high that they threaten the very existence of the companies concerned. Efforts to discourage cigarette smoking are highly successful. This latter would have a heavy impact on brand management in tobacco industry and would most likely reduce significantly the brand management efforts of the tobacco companies, leaving many tobacco brand managers in a search for a new job.

3. Brand management structure

The third chapter of this research continues the theoretical section by introducing and discussing the initial and current issues related to the implementation and future the brand/product management structure. The aim of this chapter is not only to give a picture of the brand management structure but to also identify the common stumbling stones of the structure.

The product/brand management structure is used to support the marketing activities of companies that produce a variety of different products/brands. The system was developed in 1927 by Procter & Gamble (Lief, 1958; Bull, 1968; Eckles & Novotny, 1984; Howley, 1988), or maybe even earlier by other owners/entrepreneurs (Dietz, 1973; Low and Fullerton, 1994), and has served a number of multiple product/brand companies. It was created as the adjustment of earlier organizational structures, in response to the growing complexity of markets, stronger competition, increasing sophistication of consumer tastes, expansion of the product range and changing bargaining power of the distribution channels (Bull, 1968; Cunningham & Clarke, 1975). The system has evolved through time and is very popular, especially in the consumer packaged goods industries.

The suitability of the brand management system for the organization of marketing activities has been questioned from the very first attempts to analyze marketing functions' organisational structure (Ames, 1963; Dietz, 1969; Ames, 1971). Companies' disappointments and occasional withdrawals started to be declared a decades ago (Bull, 1968; Dietz, 1973; Buell, 1975; Clewett and Stasch, 1975). In addition, several proposals relevant to the evolution of the system, the strategies that should be used for its improvement or even the need of marketing re-organisation were expressed in the marketing literature fairly early (Hise and Kelly, 1978). These proposals will be more precisely reviewed in the following chapter.

Nevertheless the brand management structure is widely used in the organisation of marketing activities within multiple brand firms. Brand managers typically analyse the market, develop and enact the brands' plans, evaluate and control the brand's performance and train colleagues on brand-related issues (Panigyrakis & Veloutsou, 2000). They have a boundary-spanning role, since they operate as co-ordinators and central transmitters of information for their brands (Diez, 1973; Panigyrakis and Veloutsou, 1999a, 1999b), and lead an informal team (Veloutsou and Panigyrakis, 2004). However they frequently have limited direct authority and control over the team members (Strieter & Gupta & Raj & Wilenon, 1999) and must secure support (Panigyrakis & Veloutsou, 2000).

Wide use of the brand management system indicates that brands are recognized as competitive advantage. To manage this competitive advantage, brand managers have to think strategically and act as strategic marketers. According to Fodness (2005) marketers competent in thinking strategically take nothing for granted and can be counted on to ask provocative questions and to conduct 'thought experiments' to escape what others might accept as the obvious. But unfortunately this kind of bold behavior is often restricted by the industry and companies' way to implement their brand management systems.

3.1 Initial issues related to implementation of brand management structure

The very first attempts to evaluate the brand management system started decades ago. Although its contribution to the development of the marketing approach was appreciated (Luck and Nowac, 1965), some questioned whether the structure should be used or not (Ames, 1971), whilst others recognised a number of problems associated with the structure. This last group of researchers was supporting its replacement with other, possibly more

effective, organisational solutions (Dietz, 1973). Formerly, most of the criticism was related to the ill implementation of the structure and general corporate constraints.

The works, coming from both academics and practitioners, referred in the previous paragraph, suggested that the problems of the brand management system were due to following issues. According to Bull (1986) the problems occurred because the procedures by which the organisational structure were initiated in the organisation. On some occasions, it replaced an older system and was expected to work, without allowing the necessary restructuring process to take place (Bull, 1968). The problems occurred also because of unclear or not adequately specified job description, which did not classify, in a detailed and measurable mode, what was expected of brand managers (Ames, 1963; Bull, 1968).

The inefficient allocation of resources and the general lack of support given by the company to brand managers were also seen as sources of problems in implementation of brand management system (Luck and Nowac, 1965). According to Dietz (1973) this lack of support included the limited assistance that brand managers could procure from their interfaces to develop and implement the brand programs.

In addition to the lack of support also the amount and the nature of the authority that was assigned to brand managers and the gap between the authority and the responsibility given to them was found problematic (Luck and Nowac, 1965; Bull, 1968). Although it was argued that responsibility and authority depend on the number of management levels, in reality brand managers were not given "real authority" to make the appropriate decisions and to do their job as they saw fit (Panigyrakis & Veloutsou, 2000).

The appointment of the "wrong" managers for the job was also seen as one of the issues causing problems in the implementation of brand management system. It was proposed that this could be controlled by the development of more careful methods of staff selection (Ames, 1963; Bull, 1968; Clewett and Stasch, 1975). Additionally one of the problems was the development of too many or too little expectations from the effects of the position on

the organisational performance and contribution of managers that undertook the job. However, it was suggested that these difficulties could be eliminated with top management support (Ames, 1963; Clewett and Stasch, 1975).

Most importantly, on some occasions the brand management system was proven totally unsuitable for the companies (Bull, 1968; Clewett and Stasch, 1975) and the brand managers' role was changing to accommodate new corporate requirements. This unsuitability was due to the conditions of the external environment in which the structure was operating. Nevertheless, the manner in which the concept was used and brand managers' group of responsibilities were se was on a large scale dependent on the special characteristics of the sector, the companies and the products/brands and was dynamic (Dietz, 1973; Buell, 1975). This view was broadly consistent with previous suggestions, supporting the constant change of brand managers' job description, to satisfy the organisational needs and requirements from the position and to conform to the changing environment (Bull, 1968).

3.2 Current issues related to implementation of the brand management structure

Contrary to the beliefs and the doubts about its future, the brand management structure survived and continued to be successful in the market. There is evidence that, over the last fifteen years, the brand management concept has been extensively employed all over the world. (Panigyrakis & Veloutsou, 2000) It is also adopted quite successfully in various sectors apart the fast moving consumer goods industry, such as computers (Amos, 1997), industrial products (Dawes and Petterson, 1988), pharmaceutical products (Kleizen et al, 1985; Panigyrakis and Veloutsou, 1999a; Panigyrakis and Veloutsou, 1999b) and even in the services sector (Hankinson and Cowking, 1997). Challenging its extensive use, the value of the system continued to be questioned (Panigyrakis & Veloutsou, 2000). Nowadays the doubts related to it are somewhat different. Some are questioning the utility

of the structure and its results (Wood and Tandon, 1994), whilst others believe that it is declining, even in the fast moving consumer good companies where it was originally introduced (Richards, 1994) because of new technologies, e-commerce, and emerging market trends, including a shift in power to retailers.

Another point of criticism is the constantly rising power of the distribution channels. Retailers now use modern technology to develop on-line databases and support their store image. They use all the communicational means traditionally used for the support of the manufacturers' brands and develop own-label products competitive to the manufacturers' brands (Panigyrakis & Veloutsou, 2000). Retailers also transfer the names from the shop to the products and differentiate their brands in attributes other than price, for example by investing into package design (Aggarwal and Cha, 1998). As a result they experience significant gains in the market shares in many categories (Panigyrakis & Veloutsou, 2000).

Knox (1996) also brought forward the issue of a new base in the consumer market. The main trends include a marginal change in the customer base in developed markets, which have constantly evolving habits and increasing expectations (Knox, 1996). Apart from becoming more fragmented the market is becoming also more international. According to Achrol (1991) this has constantly increased during the last decades. Companies are trying to balance the need for the development of local image and the global co-ordination (Richards, 1994). The increased globalisation forces companies to change their organisational structures and on some occasions adopt a global brand management system (Hankinson & Hankinson, 1998). Then again fragmentation and globalization with increasing focus on local adaptation can be seen as increased amount of brands from the consumers' perspective. Linked to this trend (Saunders & Guoqun, 1996), the majority of products are facing weaker brand loyalty than a few years ago (Knox, 1996), as there are more and more brands competing for consumers' attention.

31

Brand managers have to co-ordinate a group of internal and external specialists, with different expectations and willingness to contribute to the brand's success (Veloutsou & Panigyrakis, 2001). The increase in brands increases the number and the diversity of the interfaces which brand managers have to develop (Lysonski,1985; Panigyrakis and Glynn, 1992; Panigyrakis and Veloutsou, 1999a; Panigyrakis and Veloutsou, 1999b), as well as the time required to build the desired relationship with the internal and external specialists (Murphy and Gorchels, 1996).

The limited time at brand managers' disposal is one of the major issues (Panigyrakis and Glynn, 1992; Andrews, 1996). Due to the lack of time, brand managers have to develop strategic programs in haste, as most of the time is consumed by every day tactical pressures (Murphy and Gorchels, 1996). Proper management and leadership training might be the answer, but often due to the insufficient support from the top management (Murphy and Gorchels, 1996), brand managers are left with limited leadership and management training (Wichman 1989, Richards 1997).

The short-term approach has been seen as characteristic for the companies using the brand management structure. This is due to the approach that brand managers adopt themselves during the development of the brands' programmes (de Chemantony, 1996; Hankinson & Cowking, 1997). Since brand managers' performances are largely appraised on the basis of the brands' annual results, and because they are perceived to some degree in the European market as unsuccessful, if they stay in the same position for longer than three or four years, they are stretching their interest in short-term results. (Panigyrakis & Veloutsou, 2000) This tactic may increase the performance of the companies temporarily, but the long-term position of the brands in the marketplace can dramatically depreciate.

The gap between brand managers' authority and responsibility (Howley, 1988; Henry, 1994; Panigyrakis & Glynn, 1994; Murphy & Gorchels, 1996) weakens the decision-making. This gap is one of the reasons causing role ambiguity and role conflict experienced by brand managers and increasing their overall job tension (Lysonski, 1985; Lysonski et al,

1989; Lysonski et al, 1995). Brand managers normally carry all the responsibility for their brands, but not the corresponding authority to make things happen. The gap between authority and responsibility tends to occure due to the insufficiently developed job description administered by the company (Panigyrakis & Glynn, 1992).

Brand management system has also been criticized for the extremely limited contact that brand managers develop with the external environment and the market. This is due to the everyday pressures of their job (Richards, 1994; Murphy & Gorchels, 1996; Panigyrakis & Veloutsou, 1999a). The increasing complexity and dynamics of the external environment especially in issues related to the distribution and the final customers, adds to the importance of the contact with the market companies and need to develop structures that will allow brand managers to extend that contact (Panigyrakis & Veloutsou, 2000).

Knox (1996) has also argued that the effectiveness of the traditional communicational methods has decreased. As a result new media are used, but the mass advertising and the development of total communicational programmes to support the brands is needed, as the consumers shift towards multiple channel media consumption (Joachimsthaler & Aaker, 1997).

The issue of brand managers' incapability has been argued for long time (Ames, 1963; Bull, 1968; Clewett & Stasch, 1975). This argument has persisted as more recently brand managers are blamed for lack of analytical skills and creativity, as well as for the narrow approach that they employ in the development of the brand programmes (Richards, 1994). This is due to the limited experience they have (Hankinson a& Cowking, 1997), as well as the insufficient information related to the companies' objectives for the future position of the brand portfolio as a whole (Panigyrakis & Veloutsou, 2000).

It also important to notice that companies employing brand management system tend to have multiple brand portfolios. The competition among brands of the same company may lead to cannibalisation, where the company's brands start competing with one another

(Murphy & Gorchels, 1996). Although the enforcement of competition was one of the main arguments that originally supported the adoption of the structure, the new environmental conditions restrict companies' capability to support brands competing with one another. The financial resources and the marketing efforts are wasted to defend pressures coming from other company's brands (Zenor, 1994) and in today's environment this is hard to handle.

Brand management system is criticized for being outdated. Panigyrakis and Veloutsou (2000) have argued that the modern marketing environment bears no resemblance to the original development of the structure and thus the modifications in the system are constantly becoming more dynamic and drastic. In addition, the disappointing results of a number of companies using the system (Murphy and Gorchels, 1996), which led to changes in its implementation or even the restructuring of some marketing departments (Cummings & Jackson & Ostrom, 1984) supports those who suggest that brand management might not be able to serve effectively for much longer. To deal with all these pressures, some suggest that new organisational solutions for the marketing activities should be introduced. They suggest the development of category management geographic/regional management account management or the development of product teams (Hankinson & Cowking, 1997; Panigyrakis & Veloutsou, 2000).

However, some failures in its implementation appeared extensively and similar suggestions were considered in the past without inducing large numbers of new companies to follow it. Moreover, all this criticism does not take into account the very extensive abilities of the brand management structure and the ways the structure has been proven to be suitable in the past. (Panigyrakis & Veloutsou, 2000)

3.3 Future of the brand management structure

When rationalizing the questions related to implementation of the brand management structure it can be argued that they are partly due to the new environmental conditions that fast moving consumer goods companies are dealing with and also related to the problems which brand managers face. Studies by Anes (1971) and Dietz (1973) suggest that a number of the environment conditions, which have been puzzling companies in the past, seem to be quite relevant in the present day.

Comparison between initial and current questions related to implementation of the brand management structure reveals that some internal problems have been left unsolved. Former questions (Figure 3) related to the unclear expectations and lack of authority, support, resources as well as skills are still found in the current questions regarding the structure. It can be argued that the strong globalisation, which has driven multinational companies for decades, has influenced the brand management structure. This can be seen in the current question related to the brand management structure (Figure 3) such as fragmentation and internationalisation of the market as well as growing ineffectiveness of traditional communicational methods. Also the rising power of retailers has affected the brand management structure.

Figure 3: Initial and current issues related to implementation of the brand management structure

Recent issues related to implementation of the brand management structure

	Lack of resources and support	
Inadequately specified job descriptions	Lack of formal authority	Unclear expectations
Poor implementation of the structure	Appointment of "wrong" managers for the job	Unsuitability of the whole structure
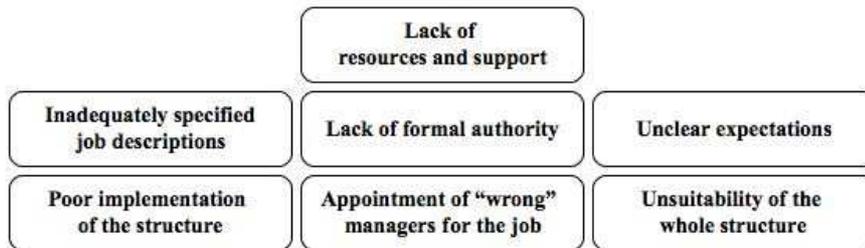
Former issues related to implementation of the brand management structure

Internationalization and fragmentation of the market	Lack of skills, support, time and information	Role ambiguity and role conflicts
Short term approach	Gap between authority and responsibility	The number and the diversity of interfaces
Traditional communicational methods outdated	Rising power of retailers' brands	Outdated structure

Since the issues are related to the specific situation, the best proposition of solutions that can help brand managers to overcome their problems will be related to the given circumstances. However, depending on the dilemmas they face, brand managers do suggest some solutions to solve their problems. Some of them believe that the main course in resolving their problems is linked to the improvement of their relationships with the internal and external interfaces, the improvement of their time management and the development of management practices that can facilitate their everyday work (Panigyrakis & Glynn, 1992; Murphy & Gorchels, 1996; Panigyrakis & Velotsou, 2000).

As with any other structure that helps companies to prosper brand management should be adopted when both the market conditions and the internal environment are appropriate. Resulting from improvements in the information technology and the environmental changes, there have been organizational changes that might influence the brand

management structure. Brand managers do not perceive themselves that their job is influenced by the environmental condition as much as the popular literature suggests (Panigyrakis & Velotsou, 2000). It has been argued that there are some organizational solutions that can bring better results than the traditional brand management organization, such as category management, matrix management or the development of brand teams. None of these structures appears to be strong enough to take on the more commonly used brand management structure. Although there are still some companies that have not moved with the times, the brand managers' job content changes, as a result of the environmental changes. (Panigyrakis & Velotsou, 2000) This happened in the past and is still happening. It is a sign of the evolution of the structure.

One of the greatest challenges facing marketing managers, as well as other managers and their organizations, today is the development of the critical thinking and problem-solving skills needed to adapt quickly and effectively to change (Fodness, 2005, 20). But this is clearly impossible to achieve if brand managers are forced to act with short-term goals and without proper support and limited contact with the external environment. Answering to the questions related to implementation of the brand management structure will thus likely improve the effectiveness and responsiveness of the companies' brand management function.

4. Brand manager's job dimensions

The fourth chapter of this research continues the theoretical section by introducing and discussing brand managers' job dimensions. Apart from the central job areas, which are presented in the second sub-chapter, brand managers' role as coordinators and central transmitters of information in the middle of contact network consisting of external and internal members of brand supporting team is drawn in the first sub-chapter. The final sub-chapter discusses the possible future of brand managers' role.

One of the most popular organizational structures of the marketing department today is the product/brand management system. (Franzoni, 1991; Hankinson & Cowking, 1997; Panigyrakis & Veloutsou, 1991) As their job title indicates, brand managers manage their brands and have a broad range of marketing-related responsibilities (Katsanis & Pitta, 1999). Research indicates that the principle brand managers' responsibilities include various tasks related to market analysis, planning, implementation and coordination of activities, evaluation and control of the marketing mix and training of colleagues in brand-related issues. They perform their duties in cooperation with a number of internal and external specialists (Panigyrakis & Veloutsou, 1999). Therefore, they normally act as the central point of informal team, which supports their brands (Veloutsou & Panigyrakis, 2001), with members who could be identified by those developing the brand strategy (de Chernatony & Harris, 2000).

Some argue that brand managers are involved with various strategic decisions and the medium- and long-term development of the brands (Lambin, 2000), while their primary role is that of a 'planner' (Bureau, 1981). Others believe that the brand managers' manager role follows a pattern, involving transition through a series of stages of increasing involvement and responsibility, varying from a support role to a mini marketing director role (Panigyrakis & Glynn, 1992). However, research reveals that they normally do not have the anticipated strategic focus (Panigyrakis & Velotsou, 1999).

Whatever the context analyzed, the most important aspect of the job is the development of short-term programs and the implementation of these programs (Hankinson & Cowking, 1997), the brand managers acting as middle managers (Panigyrakis & Velotsou, 1999).

4.1 Members of the brand supporting team

In spite of the fact that the examination of brand managers' job dimensions began four decades ago (Luck, 1969), the literature rarely analyses the structure of the brand team and the role of the team members as they have evolved today. The existing literature suggests that they come from both the internal and external environments (Figure 4). (adapted from Veloutsou & Panigyrakis, 2001)

The role and importance of intra-organizational communication in organizations have been appreciated in the management literature, for example, Bartol and David (1998, 460–467). The vertical communication within an organization involves the exchange of messages between two or more levels of the organization's hierarchy. During formal and informal interaction between the higher and the lower levels, information that allows employees to understand what is required from them and what their jobs actually involve will be exchanged. The employees' roles in the organization, the job tasks and the relationship of these tasks will be explained, while misunderstandings and discrepancies will be reduced, and the organizational vision and the various organizational objectives will be clarified and promoted (Asif & Sargeant, 2000). The importance of intra-organizational communications is such that it has been suggested that poor vertical communication could cause a lot of problems in organizations; it has been characterized as a 'silent killer' of strategy implementation and learning (Beer & Eiseenstat, 2000).

Brand managers, in order to perform their job successfully, as coordinators and central transmitters of information for the brand in their responsibility, need to develop relations and gain support from specialists that work in the company or externally (Dietz, 1973; Dawes & Patterson, 1988). Recent research concentrates on the analysis of the relationships marketing departments' form, mainly with the intra-company service providers. Furthermore, even less research examines and compares the perceived quantity, importance and quality of all the possible various interfaces with industrial service providers, an issue that is addressed in this study.

The number and variety of firms offering industrial services that brand managers deal with have increased dramatically. The companies rate from one-person companies such as public relation firms and specialized corporate lawyers, to multinational companies such as advertising and marketing research agencies (Veloutsou, 2002). The field of professional services has experienced the development of many new products (Brentani and Ragot, 1996), but little is known about the particular problems concerning the particular characteristics and relationships of a brand manager with members of external and internal environment. Figure 4 illustrates the brand manager's role as right in the middle of internal and external customers and adjusting either to internal or external direction depending on a task at hand.

Figure 4: Members of the brand supporting team, adapted by adding of digital marketing agency (external) and communications (internal) into Veloutsou's & Panigyrakis' (2001) framework.
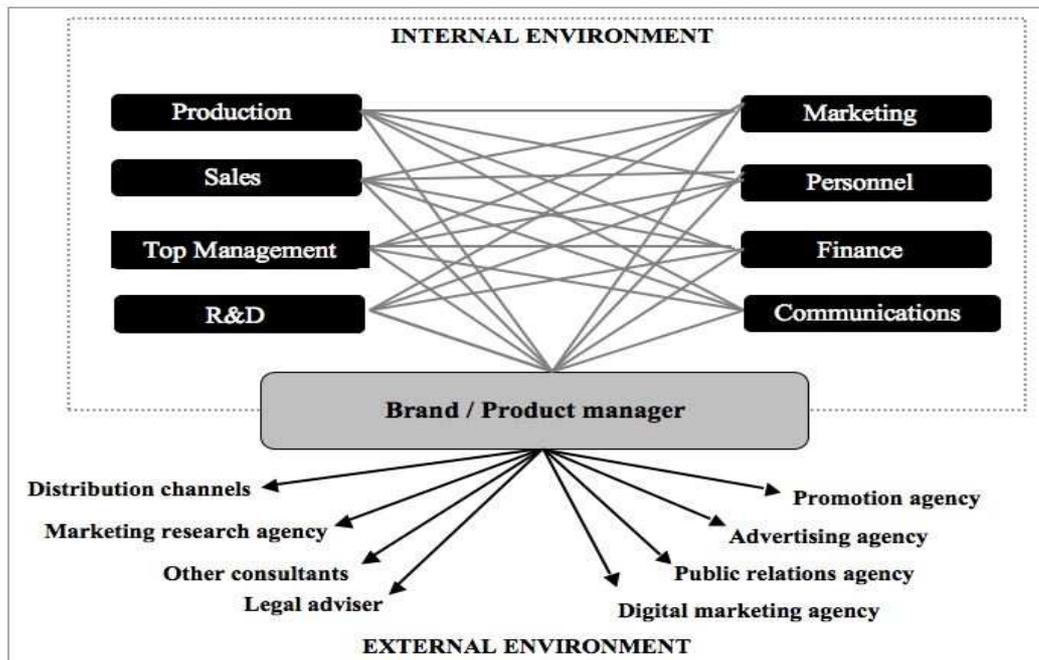
4.1.1 Internal customers

As a brand's formation flows across the organization, every department has to contribute to the success of the brands (Rubinstein, 1996). Interaction with people in non-marketing areas can contribute to creativity, since they tend to focus on issues and problems that differ from those identified by their marketing colleagues (Andrews & Smith, 1996). Today, in the era of cross-functional interdependence, the analysis of the marketing departments' interfaces with the various service providers is of crucial importance (Lim & Reid, 1992) as the firm's own information and support services must be made available to the brand managers (Lysonski & Levas & Lavenka, 1995). Brand managers work as internal marketers (Starr & Bloom, 1994). The relationships developed among managers having the same aim, for example in supporting the brand but working in different departments, will aid in focusing on the external activities, thereby satisfying the needs of customers and consumers (Katsanis & Pitta, 1995).

The interfaces that marketing function and brand managers develop within a company are usually with other colleagues in the marketing department and functions such as (Murphy & Gorchels, 1996), sales (Murphy and Gorchels, 1996; Panigyrakis & Veloutsou, 1999b), communications (Panigyrakis & Veloutsou, 1999c), manufacturing (Dawes & Petterson, 1988; Murphy & Gorchels, 1996), accounting and finance (Dawes & Petterson, 1988; Panigyrakis & Veloutsou, 1999b), research and development (Murphy & Gorchels, 1996), personnel (Panigyrakis & Veloutsou, 1999b) and top management (Quelch & Faris & Olver, 1987).

The daily contact with the various members of different functions and the dependence created through this may cause problems, which are usually due to cultural and/or knowledge gaps among the managers working in these departments (Konijnedijk, 1993). The use of the time that brand managers spend on various communications with their colleagues working for the company may contribute to overall corporate effectiveness. Many organizations and executives are trying to implement programs that aim to reduce potential conflict, provide cross-functional exposure and improve understanding. (Veloutsou & Panigyrakis, 2001)

4.1.2 External customers

The number and variety of firms offering services that brand managers deal with have increased dramatically, rating from one-person public relations firms and specialized corporate lawyers to multinational companies such as advertising and marketing research agencies (Lysonski *et al*., 1989; Dawes *et al*., 1992). These service providing firms facilitate or add value to firms' brands and try to develop an ongoing buyer–seller relationship (Filiatrault & Lapierre, 1997). There is a growing awareness in the marketplace of the possible advantages to be derived from long-term relationships between business partners. Although there is no generally accepted definition of what a professional service

is (Dawes, & Dowling & Petterson, 1992), professional service providers do act as experts for clients, assisting them in problem solving and decision making (Maister & Lovelock, 1982).

More specifically, brand managers often have to collaborate and negotiate with professional service providers such as; the advertising agency (Dawes & Patterson, 1988; Murphy & Gorchels, 1996), the promotional agency (Panigyrakis & Veloutsou, 1999b), the public relations agency (Panigyrakis & Veloutsou, 1999b), the marketing research agency (Murphy & Gorchels, 1996), lawyers (Panigyrakis & Veloutsou, 1999b), the distribution channels (Panigyrakis & Glynn, 1992; Murphy & Gorchels, 1996) and other consultants, such as experts in informatics, physiologists or designers (Panigyrakis & Veloutsou, 1999b).

Advertising agencies
Brand managers have the opportunity and the responsibility to control to a certain extent advertising decisions surrounding the brand (Cummings et al., 1984). There is need of specialist support in that area (Dietz, 1973). Brand managers usually control the advertising budget, provide background information to the agency and work in liaison with the advertising agency, as part of their coordinating role, especially in consumer goods products (Cummings et al., 1984; Dawes & Patterson, 1988; Murphy & Gorchels, 1996). Brand managers are often in daily contact with the advertising agency (Veloutsou & Panigyrakis, 2001).

Promotional agencies
Brand managers play a dominant role in promotion decisions, as they control the promotional budget, set sales promotion objectives, determine the type of sales promotion, and the number of promotions to be used (Cummings et al., 1984; Dawes & Patterson, 1988). The contact is higher in cases where the advertising agency does not provide promotional services to clients (Veloutsou & Panigyrakis, 2001).

Public relations agencies

As there is an increasing recognition of the necessity for strategically managed communication programs (Panigyrakis & Veloutsou, 1999c), public relations nowadays has a significant role to play in the marketing communications of any organization. It should be an integral part of the promotional mix, or even a major additional tool of marketing (Kotler, 1986). Brand managers may collaborate with the PR agency in order to develop the PR programs for the brand (Panigyrakis & Veloutsou, 1997).

Marketing research agencies

Brand managers have a high level of responsibility for the effective coordination of marketing research (Panigyrakis & Glynn, 1992). They need specialist support in information gathering and handling (Dietz, 1973) and the level of their contact with the marketing research specialists appears to be quite high (Murphy & Gorchels, 1996).

Digital marketing agencies

In its early days, the Internet was seen as an opportunity for marketers to communicate with consumers, and even to engage them in two-way communications. However, consumers are becoming overwhelmed by marketers' attempts to engage them in relationship marketing strategies. (Sicilia & Palazón, 2008, 255) Only recently, it has become apparent that consumers are using the internet to communicate with each other (Goldsmith & Horowitz, 2006). Cyberspace has become a new kind of social terrain, crowded with "virtual communities" (Rheingold, 2000). This evidence is forcing managers and planners to apply new ideas in order to make their web sites more effective. According to Mathwick (2006) the traditional web site is no longer motivating customers to return to the site. An alternative strategy involves the development of a virtual community around the brand (Mathwick, 2006).

Legal advisers

Brand managers may have to have contacts with lawyers (Panigyrakis & Veloutsou, 1997), especially in the sectors that necessitate legal advice (Panigyrakis & Veloutsou, 1999c). Tobacco industry is a good example of a sector, which demands very high legal awareness in all the marketing activity as the products are harmful to the consumers.

Distribution channels

According to several studies, brand managers tend to lack sufficient contact with the channels of distribution (Cummings et al., 1984; Panigyrakis & Glynn, 1992; Murphy & Gorchels, 1996). Although their responsibilities in the distribution area are relatively low (Cummings et al., 1984), they have to invest time on pursuing activities related to gaining the support of channel members (Murphy & Gorchels, 1996).

Other consultants

Brand managers can have contacts with other external specialists that work as consultants, such as psychologists or experts in informatics (Panigyrakis & Veloutsou, 1997).

Although the development of a supplier is a long-term focus (Olsen & Ellram, 1997) and current customers often present the best growth and long-term profit opportunities for service suppliers (Filiatrault & Lapierre, 1997); rarely does the marketing management literature stress the importance of cooperation between brand managers and service suppliers. To prosper, professional industrial service providers must depend not only on their specialized technical and advisory skills. They must also undertake planned programs for creating and actively marketing their services to clients. A durable relationship with brand managers, the clients' representative, is equally important, as they, in terms of several performance criteria, evaluate their performance periodically to determine the retaining of their services (Panigyrakis & Veloutsou, 1999c).

4.2 Brand managers' central job areas

Building and strengthening of brand equity is brand manager's main goal. Company has the potential to gain competitive advantage through including needed resources and know-how into the brand and thus attaining better long-term position in the market. (Aaker 1991, 13, 16)

Analyzing the market is the brand manager's task, which includes the need to function as a knowledge centre in all brand related issues. Brand manager has to gather and combine all brand related market data as well as keep a record of all the marketing activities, market information and market researches. Planning of brand's future is also one of the central job areas of brand manager. Brand managers can participate or even take the lead in brand decision-making process, but in practice brand managers can seldom alone decide upon the future of the brand. It seems that in long-term strategic planning brand managers' possibilities to influence are less than in short-term planning. Implication and coordination of brand plans, including brand development and differentiation are also important job areas of a brand manager. (Panigyrakis & Velotsou, 1999a)

Brand managers have to ensure that their brands possess a suitable marketing mix, which will deliver the best possible outcome. In this evaluation and selection task brand managers have to manage marketing budget, emphasizing elements of the marketing mix, which result in growth and strengthening of brand equity. Brand managers have the responsibility over the profitability of the brand as well as over reaching the sales targets of the marketing plan. On top of all, brand managers are also responsible for developing brand programs. (Panigyrakis & Velotsou, 1999a)

Brand managers are often responsible for educating the personnel in brand related issues. Brand education is important, but often only a little time is reserved for this activity. In addition, brand managers have to supervise the work of their assistants and take the

cardinal responsibility of educating brand assistants as well as sales force in brand related questions. (Panigyrakis & Velotsou, 1999a) All in all the training of company's personnel to be brand ambassadors is a significant task (Keller 2008, 125). When rival companies in the same industry fail to differ significantly through the products or services they offer, differentiation, along with innovation, is based on the people working in the company (Ind, 2001).

When analyzing the market through various market researches, the role of a brand manager seems to be at its most active. According to Panigyrakis and Velotsou (1999) the role of a brand manager is still to coordinate and execute the decisions made by others. But there are some significant industry specific variations. For example, brand managers in FMCG industry tend to collaborate significantly more with various member of brand supporting team such as marketing agencies, lawyers and market research agencies than their colleagues in pharmaceutical industry because of the strong interconnection between consumer goods and advertising (Panigyrakis & Velotsou, 1999a).

Figure 5: Brand managers' central job areas

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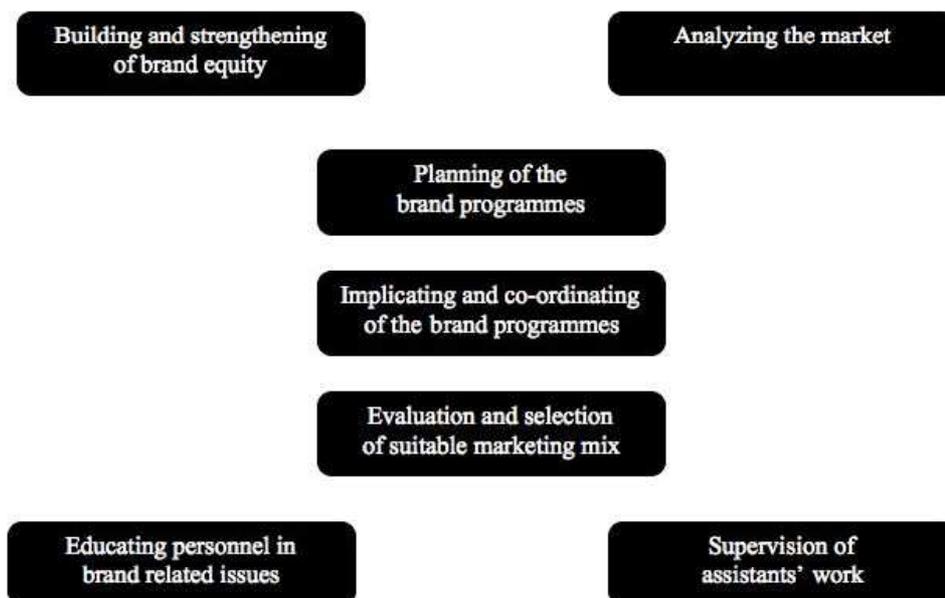
Distribution channel decisions are relatively unfamiliar area for brand managers, as these decisions tend to be made elsewhere in the organization. On the other hand, brand managers perceive participating in distribution channel decision-making as highly important because growing of brand potential is more and more attached with the chosen distribution channels. (Panigyrakis & Velotsou, 1999b)

Brand managers' usage of time conflicts somewhat with the traditional perceptions of their position. Even though the majority of time is spent communicating with internal and external members of brand supporting team, a significant part of their time is spent on planning other than brand related business strategies and tactics. According to Panigyrakis' and Velotsou's (1999a) study made in Greece, brand managers used most of their time on managing elements of the marketing mix. On the other hand brand managers in the study wished for more time to be spent on strategic and tactical planning. In international corporations the strategic decisions, as well as the standardization decisions, are the responsibility of senior management, despite the fact that brand managers bear the consequences of the brands' success or downfall. Brand managers have to find the ways to use their general business knowledge more efficiently and prioritize their time spent on managing their brands. The role of brand educator is given to brand managers due to the fact that they posses the most knowledge in them, despite that this responsibility might interfere with their tight and already prioritized schedules. If in the future the role of brands as value adding competitive advantage will continue to rise it is likely that brand managers will have more opportunities to take part in the strategic decision making (Panigyrakis and Velotsous, 1999a); though they won't likely have the sole decision making power in the brand related issues.

Figure 5 sums all the central job areas of a brand manager. As the figure shows, brand managers are heavily involved with planning and implication of brand related activates having some decision making power related to evaluation of marketing mix. There is also a minor leadership role in form of supervision brand assistant's work.

4.3 The future of brand managers' role

According to Panigyrakis and Veloutsou (2000) brand managers seem to be aware of the movement of their position. They tend to expect it and they desire it as they understand that changes will improve their position and their effectiveness. They may think that if their job does not adjust constantly it will fail to confront the dynamic environment and the changing companies' and brands' needs, and they often look forward to that continuous adaptation. However, they are constantly prone to believe that the evolution is a very slow process, particularly managers who experience the everyday pressures of the post and who cannot easily perceive the changes. (Panigyrakis & Veloutsou, 2000)

The brand managers working in subsidiaries may be headed towards an even more tactical role. They often believe that in the future they will retain the main responsibility for the collection of local information and the co-ordination of the marketing activities in the local market. They will have to enforce creative tactics, which have been decided upon by others. They tend to believe that their role is becoming more administrative and operational. They share the sentiment that the main requirement of their post is excellent communications skills, to enable them to develop relations with their internal and external interfaces and to work closer with the brand manager in the headquarters. They were also prone to feel that they have to spend more and more time with the internal interfaces and the external consultants, and this appeared to be their main role. (Panigyrakis & Veloutsou, 2000)

Very few of the managers interviewed by Panigyrakis and Veloutsou (2000) were worried about the future of the organizational structure. Their concern was caused by some literature they had read on the future of the structure. It was clear to them that there is no obvious sign of problems in the market but they were afraid that this was because of the limited contact they had with the international environment. Clearly the team working, the retention of the information centre role and the reduction of the involvement in the strategic decision making are trends that brand managers support in the market and internationally. (Panigyrakis & Veloutsou, 2000)

In the past brand managers had to adapt the brands' marketing programs to the local market. Nowadays to reflect regional differences they have to adopt the given direction from the headquarters by creating marketing programs that match the brand guidelines given from the headquarters. In the study made by Panigyrakis and Velotsou (2000) brand managers often expressed their concern on the future power that will remain at their disposal. They tend to have a feeling that they will have a pure coordinating role for their local market and that they will not be allowed to contribute to the development of new international brand strategies. They shared the same perception for the future development of the brand management job in the international arena. (Panigyrakis & Veloutsou, 2000)

The main remaining question is whether or not brand managers will retain their traditional role that of competing with others, even with colleagues supporting other company's brands. It seems to be that they will need to be more coordinated, both in the international arena and within the category in the local market. A number of companies were moving towards this way, and it was apparent that the structure of the marketing department is evolving at present. The brand managers in the local level will likely continue to be responsible for the brand and coordinate their local interfaces, and will have the leading role in this team. Furthermore they might become members of two other teams (Figure 6). They could participate in the international brand team and the category team. They might have to also get much closer guidance from the headquarters and the brand manager working there, as well as all the brand managers working at subsidiaries, the category manager, and other brand managers responsible for brands in the same product category in the same country. Their role in both the international and the category team will thus be supportive. (Panigyrakis & Veloutsou, 2000)

Figure 6: Teams in which local brand managers participate (Panigyrakis & Veloutsou 2000, 175)

It can be argued that in the future the brand managers' role will change to meet the new needs of the dynamic environment but that brand managers will continue to serve in multiple brand companies. The most important task that brand managers will be the development of real knowledge of their market. They will have to put the customer at the centre of their plans, and ensure that brands offer to customers what they want. They will have to position their brands' personalities in a way that differentiates their offer from the others, with a special emphasis on the fast growing competitor, the own label products.

The foreseen international coordination might give local brand managers much less authority to adjust marketing programmes. This trend could affect the way that brand managers feel, and modify their overall role in marketing activities. The question is whether brand managers can be the "general managers" of their brands, as they were in the past. Although they will continue to coordinate the local activities, they might not play the role that they used to due to growing influence of international brand team.

However, they should be consulted prior to making major decisions. They might be seen as the managers with knowledge of the local market. Given this new role, the pressure they experience will most likely increase, since they will lack the authority to make important decisions on their own and they will have to participate in a number of new teams and procedures. The challenges they will have to face will likely be greater and more complex than ever while the amount of time to spent on the project will more significantly limited.

Having that in mind, it can be concluded that the product/brand management system is not dead. According to Panigyrakis and Veloutsou product/brand management system is nowadays used to a certain extent in all the open economies worldwide and most practitioners still agree that the system is far from obsolete. The way it is implemented in the future may not follow the traditional pattern, but this is an expected stage in the revolution of the system, given the evolution of the environment. (Panigyrakis & Veloutsou, 2000)

5. Summary of theoretical section and frame of reference

The first section of this study was a review of literature on tobacco industry and brand manager system as well as on the job dimensions of brand managers. In order to derive a clear picture of the subject, the examination began from introduction to tobacco industry after which a general presentation of the brand management system's development was presented. More in-depth look was taken in the following chapter, which described the job dimensions of brand managers giving some prospects also about the development of these dimensions in the future. The different chapters examined subjects that were related to each other are brought together in this fifth chapter of this research. In this chapter the theoretical section is summarised and framework is presented as a hypothesis for the empirical section of this study.

5.1 Summary of theoretical section

As Katsanis and Pitta (1999) mentioned and as was presented in the Figure 5, brand managers have a broad range of marketing related responsibilities. In a way it can be said that brand manager needs to be a jack-of-trades and nearly master or mistress of all of them. However, in real life there presumably are clearer dimensions or job description types that define the brand manager's tasks, and also a ranking order which dimension are thought more important that others. The brand manager might perform tasks that are either more marketing oriented demanding team leadership skills or tasks of a merely coordinator without any real decision power of brand related activities. Therefore, the research problem was to find out how the problems typical to implementation of brand management structure occur in the tobacco industry and how tobacco brand managers deal with these problems.

In fact brand manager's tasks are in this research treated as equal in importance. Literature on subject lists a great variety of functions and the only common and connective role of a brand manager seems to be relationship handler and coordinator of the brand supporting team. Still, lack of skill, support, time and information as well as problems related to the implementation of brand management structure are common, and thus it seems that brand managers don't have a specific and working job description that would have an effect on improving the role of relationship handler and coordinator.

The foundation of the research was laid by examining the tobacco industry from a wider perspective. Firstly the development of the industry as well as the closely tied relationships with governments and regulators were explained. Secondly the regulatory measures that set the boundaries for tobacco industry were presented. Finally the marketing tools used in tobacco marketing accompanied with the view on the future of the industry were discussed. The aim of the chapter about the tobacco industry was to present the industry and the crucial role played by brand management in it.

The review of tobacco industry in the first chapter of theoretical analysis provided a basis for examining the implementation of brand management system, as well as for the brand manager's job dimensions, which were examined in the third chapter of theoretical section. The second chapter of theoretical review focused on brand management system taking broadly into account initial and current questions related to the implementation as well as added a perspective on the future of the system. Furthermore, the second chapter focused on the role of a brand manager in the context of brand management system. Following that, the different questions related to the implementation of the brand management system as well as the factors, which have and effect on the job dimensions of brand managers were compiled into a single figure.

The third chapter of theoretical analysis provided information of the brand managers' role as a relationship handlers and coordinators between internal and external members of brand supporting team. Also the central job areas as well as the future of the brand managers' role were discussed in this chapter. The different members of brand supporting team were mostly identified from the research done by Veloutsou and Panigyrakis (2001) though a couple of additional members were added by the researcher.

5.2 The framework and prepositions for empirical research

This research explores the way that brand managers in tobacco industry organise their activities and how the brand management structure is implemented in tobacco industry. Given the doubts about suitability of the brand management structure in the modern environment, one of the questions is how popular this structure is in the tobacco industry.

When taking into account the quite unique characteristics of the industry it would be easy to argue that brand management is different in the tobacco industry compared to other consumer goods industries. Even though a systematic comparison between the job dimensions of tobacco brand managers and brand managers working in other industries does not take place within this these may the finding of this thesis be used for this kind of comparative study. In addition, this research attempts to examine the brand managers' understanding of their role. This research also compares the activities that brand managers perceive they perform and those that marketing/brand directors understand their role.

The framework of this research (Figure 7) is constructed out of three key elements that were brought forward by the equal amount of theoretical chapters of this study. Firstly the unique characteristics of tobacco industry, such as consolidation, regulation and tobacco industry marketing created the boundaries for the framework. Secondly the set of initial and current questions related to the implementation of the brand management system, which were introduced in the third Chapter, were used to analyse the suitability of brand

management structure in to tobacco industry. The third chapter of the theoretical review, which focused on brand manager him-/herself, was used to examine the tobacco brand managers' understanding of their role as well as to compare the activities that brand managers see they perform and those that their supervisors understand as their role.

Figure 7: Framework of the study
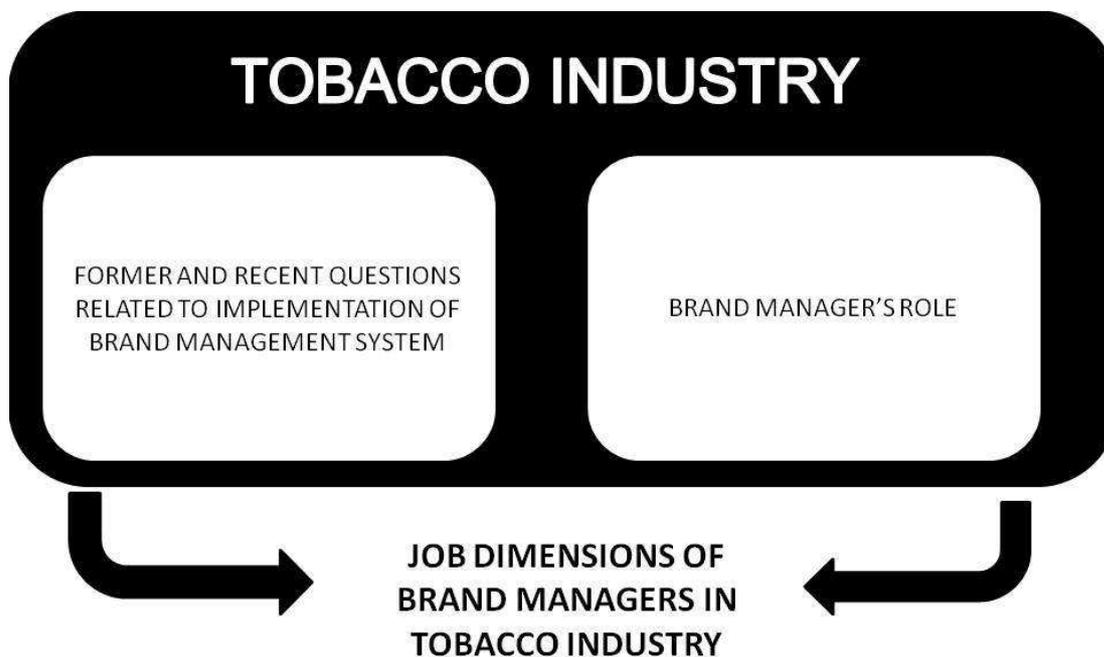
The job dimensions based on the framework are formed by analysing brand management system and brand managers' role under the light of tobacco industry. Based on the preceding description the following propositions are presented for the empirical research:

P1:   *The marketing agency is the most important and most time consuming member of tobacco brand managers' brand supporting team.* Marketing agencies execute a great amount of branding decisions, such as package design, promotion campaigns etc. Smooth co-operation between brand managers and the marketing agency demands good relationships, which are born from frequent contact. *The second highly important member of tobacco brand managers', brand supporting*

team are the (internal and/or) legal advisors, which help to make sure that the brand managers are acting according to the strict regulations of the industry. The level of contact with the legal advisors is though likely to be less frequent than the level of contact with marketing agency as the role of the advisors is to only validate and council.

P2:   *High level of professionalism and established processes provide brand managers with clear goals and expectations*. Big global tobacco companies organise their operations around processes. This process-oriented approach characterises also the way that the job of brand managers is structured in these companies.

P3:   High level of regulations limits greatly the use of various brand management tools. *The most important brand management tool in tobacco industry is pricing*.

P4:   With pricing being the most important tool in tobacco brand management, *brand managers in tobacco industry have a strong trade focus and they are experts on using their clients (retailers, hotels, restaurants, etc.) to communicate their brands*. On the other hand tobacco brand managers are expected to tend to lack media planning skills, which are often unnecessary in tobacco marketing.

P5:   *The perception of tobacco brand managers' about their future is realistic*. They know that the regulations are only getting tougher and they see that these limitations will move the focus of the marketing more towards trade marketing and away from the brand management.

6. Research methods and processing of research data

The sixth chapter of this thesis begins the reporting section of the empirical research. In this chapter the methodology and processing techniques that were used in order to answer the research question, posed in theoretical section, are reviewed in detail. The first sub-chapter describes the research method of the empirical research. In the next sub-chapter basis of data collection and selection of interviewees are explained. The third sub-chapter elaborated the background of the interviewees. The final three sub-chapters in this section contemplate the essential factors of conducting this survey: analysis of the research material (sub-chapter 6.4), credibility of the research material (sub-chapter 6.5) and ethical questions (sub-chapter 6.6). The generalisation possibilities of the results are then reviewed together with the credibility of the research material. In addition, the reliability of the research is reviewed as a sub-chapter of its own.

6.1 Methodology

The research method in this thesis is qualitative, as the research material has been gathered by conducting interviews. According to Hirsjärvi, Remes and Sajavaara (2001, 124) the typical characteristics of qualitative research are the close relationship between interviewer and interviewee as well as deep and rich research material. Qualitative research aims to contextualise, interpret and understand the viewpoints of the interviewees (Hirsjärvi & Hurme 2000, 22–23). The aim of this research is to understand the job dimensions of brand managers in tobacco industry through the experiences of the managers in this position. That, and the limited population, is why qualitative approach is the natural choice for conducting the research.

One of the most traditional strategies for conducting a qualitative research is the case approach, which aims at gaining detailed knowledge about a single event or about limited number of intertwined events (Hirsjärvi, Remes & Sajavaara 2001, 123). According to Peuhkuri (2005, 293) case research is an umbrella term under which quite various research

frames can be constructed. Characteristic for case research is the use of several methods and data as well as the ambition towards theoretical explanation. Case research can be valuable as a limited intensive analysis of a social unit. Describing an interesting phenomenon, giving a voice to the parties of a case or bringing forward a specific problem – these are all legitimate aims for a research on their own. (Peuhkuri 2005, 306–307)

In this research a small number of case individuals were chosen for an interview after the initial theoretical foundation of the research was made. This is a typical approach for an extensive case study (Hirsijärvi, et. al. 2000, 123) as the researcher has interviewed tobacco brand managers the interest lies in a process, which is how these brand managers perceive their job dimensions. As the research data will be gathered using a single method the research can't be described as a pure case research. Qualitative research by itself is not a research method, as it should be seen more as a research strategy, which defines how a researcher gathers material and analyses it. Method for gathering the research material should be thus chosen always to suit the purpose of the research. (Koskinen, Alasuutari & Peltonen 2005, 154–157) Qualitative research can be conducted through various research methods. Typically preferred methods are those, which bring forward the voice and the viewpoint of the research subject (Hirsjärvi et. al. 2001, 155). Interview is on of the most popular methods for gathering information in qualitative research due to the method's flexibility, which allows it to be used in various contexts. This is one of the key reasons why the researcher chose to gather research material through interviews.

Most important issue when choosing research methods is that the chosen methods enable answering to the research questions (Koskinen et. al. 2005, 106; Hirsjärvi et. al. 2001, 191–192). Because the research question of this Master's thesis concentrates on the brand managers' experience, the interview is both natural and efficient choice. Interviewees have had the possibility to tell about the subject from their own viewpoint, which has led to a gathering of rich and deep material in a relatively short amount of time.

As mentioned before by Hirsjärvi, Remes and Sajavaara (2001, 191–192), interview is a flexible method for gathering research material because interviewee is in interaction with the interviewer. This interaction gives a possibility for the researcher to direct interview according to a specific situation as well as clarify and deepen the answers by asking the interviewee to explain his/her opinions. The possibility to change the order of questions is also one of the advantages of interviewing. (Hirsjärvi et. al. 2001, 191–192)

As a research material gathering method interview has also its cons. Interview doesn't produce ready answers or direct information as it is a method, which reflects interviewee's perceptions of a certain topic (Koskinen et. al. 2005, 106–107). The credibility of an interview may be also compromised due to interviewees' tendency to give more socially acceptable answers (Hirsjärvi et. al. 2001, 193). The topic of this research might be seen as somewhat sensitive mainly due to the industry's controversial reputation. This means that the risk for socially acceptable answers does exist, especially because the interviewer doesn't work in tobacco industry.

The risk of socially acceptable answers was nevertheless acknowledged and researcher made the attempt to minimize the risk by emphasizing the anonymity of the interviewees. The fact that there are no right or wrong answers and that the researcher wants to specifically hear respondents personal opinions was clearly communicated to each interviewee before the interview took place. It was also emphasized that the thesis is done independently without the influence of the interviewee's employer. To reduce this risk of socially acceptable answers, also former employee - who did not feel the same kind of social pressure - was interviewed.

Interviews are often divided into categories of structured, semi-structured and unstructured. Theme interview and semi-structured interview mean usually the same. In theme interview the topics or themes are known, but the exact form or order of the questions isn't set. Instead of specific questions the interview is thus constructed around a theme, which is familiar for all the interviewees. This form of interview frees the interviewee from the

interviewer's point of view and gives a voice to the interviewee. (Hirsjärvi & Hurme 2000, 195; Koskinen et. al. 2005, 104.)

Theme interview was the used method in this research, even though some aspects of structured interview were used quite extensively. The form and order of the questions in the research were predetermined, which is typical for the structured interview approach. But the amount of open questions was clearly dominant and the approach to the interviewee aimed at creating free conversation about each part of the questioner. Interviewer's approach was also active, as additional questions were asked and thus the interview was lead to different direction when sought relevant from the point of research question's point of view. The reason behind the extensive use of elements from structured interview was because of the extremely tight schedules of the interviews. By letting the interviewees to get acquainted with the questions beforehand they were given time to construct initial answers and thus save time for additional in-depth questions.

It is also important to notice that both former and current tobacco company employees were interviewed. Certain elements of structured interviews thus suited the research as they engage in respondent or focus group studies in which it is beneficial to compare and contrast participant responses in order to answer a research question (Lindlof & Taylor, 2002).

6.2 Selection of interviewees and collecting research data

When reviewing the adequacy of research material, researcher faces question regarding irregularity and freedom of research, which both label the qualitative research method. For example there are no rules that determine how many interviews should be done in order to answer the research questions. The adequacy of research material depends of the quality of the research material. Thus researcher has to trust his or her own perception, which will indicate that additional gathered material adds no essential value to answering the research question. The aim of this research was not to give statistical information of the brand

managers' job dimensions in tobacco industry. On the contrary the researcher's aim was to find out how tobacco brand managers see their job dimension and complement these findings with the directors' viewpoints of these same dimensions.

Two brand managers, a product manager, a brand director and a former marketing director were interviewed for this Master's thesis. As the researcher hadn't previous work experience in tobacco industry the contacts were acquired simply by contacting the largest tobacco companies active in Finland. Because the Finnish market is quite small for the tobacco companies, due to high level of regulation and limited amount of consumers, only few of them had active brand managers in the country. Thus brand managers who worked in the Northern European headquarters were interviewed for this study. The interviewees' contact information was given by one of the tobacco companies active in Finland.

After getting the potential interviewees' contact information the researcher approached them interviewees with an email stating all the background of the research as well as promising anonymity to the interviewees. The questions were sent to the interviewees beforehand as the researcher saw that this wouldn't compromise the research in any way. On the contrary allowing interviewees to get acquainted with the questions was presumed to result in richer answers, as the interviewees had time to form their answers beforehand. Sending the questions prior to the interview also gave more time for the researcher to ask additional questions during the interview, as the limited time wasn't spent on interviewee forming his/her answers.

According to Koskinen, Alasuutari and Peltonen (2005) in some situations giving the questions to the interviewees before the interview may lead smoother but at the same time more rigid interview because of the frame set by the questioner. Koskinen, Alasuutari and Peltonen (2005) believe also that in some case the interviewee may be frightened by the simplicity of the questionnaire. To avoid rigidity and frightening the interviewees, it was stated to the interviewees that the questionnaire is only a frame that should only guide the interview, not command it. Interviewees were also encouraged to consider some aspects

that were not mentioned in the questioner but that they perceive as important. These actions were done to better bring forward the individual voice and experience of each interviewee.

The research contained both phone interviews and face-to-face interviews. The face-to-face interviews were done in the premises of the interviewees' employer and in neutral environment (conference room at a hotel). The duration of each interview varied from 45 minutes to 75 minutes. There were differences in how broadly the interviewees answered to the questions presented by the researcher. Additional questions were made by the researcher each time the answers given by the interviewee was short and narrow or when the given answer was opposing or different than the prior answers to the same questions. In most interviews the interviewees gave very descriptive and well-thought answers, which extended above the questions themselves. These broad answers were used as a background for additional questions that were asked from those interviewees that gave briefer answers.

In every occasion the interviewee chose the date and time for the interview. This ensured that the interview situation was calm and peaceful and that sufficient amount of time was delegated for the interview. The experiences of each of the interviewees were somewhat different but when combined, they painted a holistic picture of the brand managers' job dimensions in tobacco industry.

6.3 Interviewees' backgrounds

As mentioned in the previous chapter, five persons were interviewed for this thesis: two brand managers, one product manager, a brand director and a former marketing director. All interviewees, except the product manager, worked or had been working in Tobacco Company A (in order to ensure the anonymity of the interviewees, company names are hidden behind letters A, B, C and D).

Brand Manager A

Brand manager A started his career through a graduate trainee program organized by a regional tobacco company, which was later acquired by a global tobacco company. Brand manager A is placed in Denmark and he is currently responsible for managing a North European tobacco brand.

Brand Manager B

Brand manager B's career has also started through a graduate trainee program Tobacco Company A. Brand manager B is responsible for managing global tobacco brand on a Northern European level and she is also placed in Denmark.

Product Manager

The product manager works Tobacco Company B, being the only one in this study who hasn't worked in Tobacco Company A. He has started his career as a part time sales representative in a smaller international tobacco company during his Master's studies and continued as a product manager after his graduation. During this time Tobacco Company B acquired the company he was working for. While working in Finland he is not officially a member of the Finnish organization as the product manager's line manager and primary contacts are located in main European countries such as Germany, England and France.

Head of Brands

The head of brands or brand director, as he is also referred in this thesis, started his career through a graduate trainee program in Switzerland. Currently the brand director is responsible for developing company's brand portfolio in Northern Europe. Between his current positions he has also worked in brand management in Southern Europe having been placed in Italy. The brand director interviewed for the research provided valuable insight from the supervisors' point of view, as he was indirectly responsible for the brand managers' work.

Marketing Director

The former marketing director, whose career in the tobacco industry was a decade long, had left the industry some two years before the interview took place. During his career, the former tobacco-marketing director had worked in various specialist and management position related to logistics, sales, brand management and marketing in several European countries. The information gained from the former tobacco marketing director was highly valuable not only because of the vast experience from the tobacco industry but also because the interviewee was able to compare his former position to his current position as a marketing director in FMCG company.

Figure 8: Interviewees' background information

Title	Company	Years within tobacco industry	Has or is currently working in:
Brand Manager (A)	A (current) & C	4	Poland and Denmark
Brand Manager (B)	A	5	Germany and Denmark
Product Manager	B (current) & D	7	Finland
Head of Brands	A	8	Switzerland, Italy, Denmark
Marketing Director	A (former)	9	Finland, Switzerland, Serbia

6.4 Analysis of the research material

The analysis and interpretation of the research material gathered by the researcher are core activities of a study. In the analysis stage the answers to the research questions are elaborated. At the same time researcher may find out what the research question should have been in the, given that the answers would have been known.

As mentioned before, there are no definitive instructions for conducting a qualitative research. One method to analyse gathered research material is to first transcribe the interviews. (Eskola & Suoranta 2001, 145, 150) Tuomi and Sarajärvi (2002) suggest that researcher should first transcribe the material after which the material can be divided into different themes, types and classes.

The analysis of gathered research material was initiated by analysis of the structured part of the interview and followed immediately by transcription of open questions of the interview. In this stage the researcher stayed open to all the themes that rose from the interview by not leaving anything out of the transcription. Because the interviews were done both in English and in Finnish transcription from word to word was impossible. The reason to use also Finnish language was nevertheless justified as it loosened up the Finnish interviewees, giving them visibly the feeling of a more casual talk than a rigid and recorded interview.

The actual analysis part of the research was made using the classification method by Miles and Huberman (see Tuomi & Sarajärvi 2002, 110–116), which divides the gathered research material into different classes by following three steps:

1. Reduction – simplification of gathered material
2. Clustering – dividing the simplified material into groups
3. Abstracting – creating theoretical concepts

By analysing the structured part of the interview, the daily activities of brand managers in tobacco industry as well as how directors, who supervise brand managers, feel that the brand managers should divide their time became clearer. After analysis of the structured part the researcher read the transcribed interviews, making notes out of each finding at the same time. The notes taken by the researcher were analysed and divided into relevant and irrelevant for the research question in a reduction stage. The theoretical framework of the research guided the selection process in the reduction stage.

Some level of clustering was already done in the reduction stage of the analysis. Relevant material was copied and pasted into separate file so that answers to the same topic were gathered into clusters. The foundation for the clustering was framework of the research that presents initial and current questions related to the job dimensions of brand managers. Also the industry specific questions as well as the topics raised out of broad answers formed their own clusters.

Clustering enabled the researcher to identify the connection between the clusters formed in the analysis part of the research and the theoretical models, which are used to assist the reporting of the research. The abstracting of research material was relatively easiers because the connection between theoretical framework and empirical findings were built up rapidly in the researchers mind during transcription of the interviews.

Direct quotes were included into the thesis to illustrate the interpretations made by the researcher as well as to elaborate the text. Many times the interviewees express some topics more precisely than the researcher would be capable of. Direct quotes are also a means to increase the liveliness of the text.

6.5 The credibility of the research material

When assessing the credibility of qualitative research the most used terms are reliability, validity as well as the ability to assess. Keeping these terms in mind is fundamental for the research as they stand for improving the quality and credibility of research.

The definition of validity in qualitative research is the internal and external logic of the interpretations, the lack of conflicts and ability to generalize to other relevant studies. Reliability on the other hand stands for the level of consistency in which the cases fall into the same category despite changing background factors such as time. In other words reliability means reoccurrence of results and minimizing the risk of coincidences. (Hirsjärvi

et. al. 2001, 213; Koskinen et. al. 2005, 253–255) Some authors have criticized that the concepts of reliability and validity are left only as principles in qualitative research. These authors have actually pushed to replace the two concepts by the ability to assess and follow. Koskinen et. al. (2005, 257) write, that in sake of simplicity it would be wise to speak about the quality of research as this includes the systematic quality control throughout the whole study.

According to Hirsijärvi et. al. (2001, 214) credibility of a qualitative research can be improved through a precise descriptions of the different parts of the research process. A key issue in this method is to document as much as possible about all the actions related to the execution of the research. For example when interviewing it should be documented how much time did the interview take, whether there were any distractions and what was the researcher's own take on the interview. (Hirsjärvi 2001, 214) In this thesis the interview process has been described as vastly as sought to be relevant and possible misjudgments are brought forward.

Hirsijärvi et. al. (2001, 214) also point out that the credibility of a research can be improved through triangulation, which stands for combining different research methods. The meaning of triangulation as a credibility booster has been emphasized especially in case researches. It is even recommended to use several different sources case researches. (Koskinen et. al. 2005, 158) Nevertheless in this thesis no other research materials were used in addition to interviews and the research on the tobacco industry. The lack of triangulation was simply due to limited resources in term of time and accessibility - limitations often faced by those writing a thesis. The credibility of the research might have reached higher level if more sources and additional research methods had been used. Nevertheless the research question on itself was limited to concern brand managers' own experiences of their job dimensions, which led to believe that the chosen research approach was sufficient.

Typically in qualitative research the selected research objective is a phenomenon that isn't difficult to generalize. So the key point is to explain the researched phenomenon and make it understandable. This explanation model has to be first of all logical and supported by as many leads found from the research as possible. Referring constantly to previous researches can also solve the problem of generalization by placing the research into a continuum of researches of the same phenomena. (Alasuutari 1999, 237, 234–245)

6.6 Ethical questions

According to Hirsjärvi et. al. (2001, 26–27) researcher has to make ethically justified decisions when choosing the research topic and when in contact with the people who contribute the research material. In addition the researcher has to be honest in every part of the research process. One of the central ethical codes in research is the informed consent from the research subjects (Hirsjärvi et. al. 2001, 26). In qualitative research gathering research material is often in the center of the whole research process and that is why the ethical discussions emphasize the consent from the interviewees so heavily (Eriksson & Kovalainen 2008, 65). Eriksson and Kovalainen (2008, 65) remind that research ethics covers the full research process from the gathering of the research material to actually writing and publishing the research.

In this research the researcher has strived to cater to the ethical question throughout the whole research process – from the way the interviewees were treated to the analysis and actual writing of the report. The most important ethical question in this research was related to the anonymity of the interviewees.

The three interviewees from the Tobacco Company A were contacted by first asking for contact information from the company's HR executive during a career fair at the researcher's university. The given contact information was head of Brands from Tobacco Company A, who was approached by the researcher via an e-mail stating all the relevant

information about the research and the research questions. The head of brands agreed to grant an interview and offered the contact information of two brand managers working in the same company. In a way it can be seen as a direct order for the brand managers to participate in the research because the request came from their supervisor. But there was no negative attitude from the brand managers' part towards the interviews. On the contrary they were very helpful and generally interested in the research. The helpfulness might have been due to the brand managers' high level of education and relatively young age, which might have encouraged the interviewees to identify themselves with the interviewer. The researcher also offered extremely flexible time tables for the interviews and avoided all forcing.

The former marketing director from Tobacco Company A was asked to participate in the research during an excursion into the FMCG Company where the marketing director currently worked in. The question to participate was totally spontaneous as the researcher found out the marketing director's background during a casual conversation. The reason for the marketing director to participate in the research was probably due to his positive reflection on his career within the tobacco industry and general interest. It is hard to come up with other reasons, as the marketing director couldn't have benefited in anyway from the outcome of this study.

The product manager from Tobacco Company B was the last person to be interviewed for the research. The product manager was contacted by calling to the Tobacco Company B and by presenting the research subject. The product manager then later contacted the researcher and asked for more specific information about the research. After researcher had presented all the relevant information, the product manager agreed to an interview.

The goal of full anonymity to the interviewees was not reached despite the researchers intentions. All of the interviewees remained anonymous to external public but they are likely to be quite easily identified within the company they work for. This breach in anonymity is due to the way the researcher was given the interviewees contact information.

For example the contact information from Tobacco Company A were gained initially through an HR executive, who will have access to this Master's thesis.

The fact that the head of brands knew which brand managers were involved in the research is without a doubt the most significant breach in anonymity of this research. There was really no way to avoid this as there was no possibility to gain other interviewees within the company so that the head of brands wouldn't not know who they were. To minimise the risk that this compromise in anonymity created towards the research, the researcher interviewed former employee and an employee from a different tobacco company.

If the researcher would have cleared the sources from the direct quotes in the analysis part, it might have given some additional anonymity. But this was sought to hinder the presentation of the results as the researcher wanted to clearly bring forward differences and similarities between regional brand manager, global brand manager and product managers across companies but within the industry. Without the anonymity, getting interviewees would have been very hard. Lack of anonymity would also most likely increased the level of social acceptance in the interviewees answers, making the answers look more like company statements instead of personal views' of the interviewees'. Finally anonymity of the research helped to get interviewees from more than one tobacco company. Without the anonymity it would have been unlikely that more than one tobacco company had participated in the research as the competition is very harsh in the industry and all information sharing between the companies can be seen as something that may give competitor an edge.

7. Results from the empirical research

The seventh chapter of this research concludes the reporting section of the empirical research and aims at giving an answer to each of the five propositions stated in the fifth chapter. In this chapter the results from the interviews, used for gathering the research material, are presented. The first sub-chapter paints a picture of the tobacco brand managers' brand supporting team and the level of interaction between internal and external members of the team. First sub-chapter also seeks to bring forward the differences between different brand managers and thus answers to the proposition that tobacco brand managers for global brands have more limited decision making power compared to their colleagues managing regional or local brands. The second and third sub-chapters describe which of the initial and current questions related to brand management system are relevant in tobacco companies. Even though the second and the third sub-chapters tackle the same broad topic, they differ greatly as the second sub-chapter concentrates on questions related to the organisation structure while the third sub-chapter seeks to answer the question from the industry perspective. The fourth sub-chapter answers the preposition about the unique set of skills developed by tobacco brand managers. The final sub-chapter concentrates on the tobacco industry brand management and seeks to give a glimpse of not only the unique characteristics of the industry but also the industry's future from brand management's point of view.

7.1 Brand managers' brand supporting team

The first preposition suggested that marketing agency is the most important and most time consuming member of tobacco brand managers' brand supporting team. The proposition also stated that the second highly important member of tobacco brand managers' brand supporting team are the (internal and/or) legal advisors.

To investigate the first proposition the interviewees were asked to assess internal and external members of brand supporting team on two levels: how important is a particular party and what is the level of contact with this particular party. To increase comparability a scale from one to five was presented, where one meant very little importance or level of contact and five meant very high importance and level of contact. In addition to assessing, the interviewees also elaborated why a particular grade was given.

In addition to elaborating the importance and level of contact, the first part of the interview also painted a broad picture of brand managers' job. By comparing the importance and the level of contact, the researcher visualizes how the brand mangers' days are constructed. The grading also shows, which members of brands supporting team take most of the brand managers' time and which members would brand managers brand managers and their supervisors considers as most important ones. By bringing forward the views of brand managers' supervisors, the researcher tries to find out whether there is conflict between the views of brand managers and their supervisors. In other words, do brand managers and their supervisors agree on what is important and how should brand managers spend their limited time resources'. The first part also shows a bit of the brand management structure in the tobacco companies by presenting which services are generated within companies and which are acquired through external consultant.

Differences explained by brands and organization structures
All and all the given grades were quite well in line across respondents, which is why researcher has made a decision to also present average grades. Nevertheless there were some differences in given grades and these differences as well as the reasons behind them have been systematically brought forward.

Most of the differences in the grades given by the interviewees can be explained by two factors. Firstly, the brand managed by brand manages influences many cases the importance as well as the level of contact with a particular member of brand supporting team. Brand manager, who answered for a global brand, had more of a implementers role

compared to the brand manager responsible for a regional brand. This was due to the fact, that global brands are often tightly managed in company headquarters (Panigyrakis & Veloutsou, 2000) while regional managers get to enjoy greater freedom. Secondly, the difference in the organisation structures between the two tobacco companies became visible in the given answers, as the Product Manager's external points of contacts were far broader. This might have been also due to the different types of organisations, as the Product Manager worked on country level while the two Brand Managers worked on a regional level. Also the difference in job offers an explanation.

Despite some time management issues interviewees the interviewees felt overall that they were able to build desired relationships with both external and internal specialists contributing to success of their brands. Interviewees also pointed out the importance of the brand supporting team by saying that nothing worked without the internal and external contacts.

Internal members of brand supporting team

Figure 9: Internal members of brand supporting team (importance vs. time)

Internal members of brand supporting team (importance vs. time)

	Supply chain	R&D	HR	Finance	Legal	Sales	Marketing	Top Mng.	Comms.
Head of Brands (importance)	5	4	2	4	5	4	5	2	5
Head of Brands (time)	5	3	2	3	3	5	5	2	3
Brand Manager A (importance)	4	5	2	4	5	3	5	5	5
Brand Manager A (time)	4	5	2	3	4	3	4	3	4
Brand Manager B (importance)	4	5	3	3	5	5	3	4	4
Brand Manager B (time)	4	3	3	4	3	5	4	3	3
Marketing Director (importance)	5	3	3	4	5	5	5	5	4
Marketing Director (time)	4	3	2	3	4	5	5	2	4
Product Manager (importance)	4	4	1	4	5	5	5	5	2
Product Manager (time)	5	3	1	4	3	5	5	5	2

Supply chain

Importance   *4.4 / 5.0*   *Amount of contact*   *4.4 / 5.0*

The interaction between brand managers and members of the supply chain seemed to be well in balance. Overall the supply chain was seen as a crucial player in the brand supporting team due to the fact that they ensure the product flow from manufacturing to end clients. The balance between importance and level of contact might also been due to the well-developed internal processes.

Research and Development

Importance   *4.2 / 5.0*   *Amount of contact*   *3.4 / 5.0*

Generally research and especially development were thought as an important though not that time consuming by most of the respondents. Respondent saw new product variations developed by the R&D function vital for the brands as this development justifies the higher price of the brands and draws interest towards them.

Though there were some differences as Brand Manager for a regional brand gave full points to both importance and level of contact while Brand Manager for a global brand ended up giving only three points to importance and level of contact. This difference is explained through the fact that all the crucial decisions regarding a global brand, such as product variations, is done in the headquarters of the company while the same decisions regarding a regional brand are done locally. Thus the Brand Manager of a regional brand was in constant contact with the R&D function and felt that it was really important aspect of his job.

Human resources

Importance   2.2 / 5.0   Amount of contact   2.2 / 5.0

The importance and level of contact with the HR function was very limited, even though all of the respondents, with exception of one, were in manager position with subordinates.

Finance

Importance   3.8 / 5.0   Amount of contact   3.4 / 5.0

Finance, which in this research meant marketing finance, is in short responsible for producing numerical information about the brands. This was overall seen as a fundamental function, which demanded a moderate amount of attention from the brand managers.

Legal

Importance   5.0 / 5.0   Amount of contact   3.4 / 5.0

The most important member of brand supporting team was the legal function. Due to the regulations, most of the decisions in brand management have to go through the legal department. Though despite the importance, brand managers are not in constant contact with the legal function.

Sales

Importance   4.4 / 5.0   Amount of contact   4.6 / 5.0

Sales, or trade marketing, department is responsible for winning brand presence in the end clients' premises. Naturally the importance of this function was seen as very high. The importance was well in line with the amount of contact between sales and brand management functions as all but one of the respondents gave top grades to the function. The only lesser grade was given with an explanation that the trade marketing department could and should do its job without over extensive involvement from brand managers.

Marketing

Importance   4.4 / 5.0   Amount of contact   4.6 / 5.0

Marketing referred to the actual internal change of information. Naturally brand managers and their supervisors found this as an important and also reserved needed time for this interaction between colleagues.

Communications

Importance   4.0 / 5.0   Amount of contact   3.2 / 5.0

The high grade given to the importance of communications was mostly due to the fact that the communications function was tied closely with regulatory affairs in Tobacco Company A. In Tobacco Company B this was not the case so the grade was lower.

Top management

Importance   4.2 / 5.0   Amount of contact   3.0 / 5.0

All the respondents except the Head of Brands saw the importance of the top management to the brand managers' job as very high. The imbalance between amount of contact and importance was not disturbing to the brand managers as they saw top management more as decision making unit that needed not to be consulted in day to day matters.

External members of brand supporting team

Figure 10: External members of brand supporting team (importance vs. time)

External members of brand supporting team (importance vs. time spent)

	Distribution	Legal	Mark. Res.	Promotion	Advertising	PR	Digital Mark.	Other
Head of Brands (importance)	1	1	2	2	5	1	2	1
Head of Brands (time)	1	1	1	3	5	1	1	1
Brand Manager A (importance)	4	1	5	1	5	3	3	1
Brand Manager A (time)	2	1	1	1	5	1	3	1
Brand Manager B (importance)	3	2	2	2	5	1	1	2
Brand Manager B (time)	2	1	1	2	5	1	1	2
Marketing Director (importance)	1	1	3	1	4	1	2	1
Marketing Director (time)	1	1	2	1	4	1	2	1
Product Manager (importance)	4	4	4	4	2	2	1	2
Product Manager (time)	1	3	4	3	2	2	1	2

Distribution channels

Importance   2.6 / 5.0   Amount of contact   1.4 / 5.0

The importance of distribution channels, which can be described as point of sale partners, was seen either as important or unimportant by the respondents. Those who saw them as unimportant for brand managers argued that it is the role of the trade and sales function to take care of the contacts from distribution channels. On the other hand those who saw the distribution channel as important felt that these point of sale contacts were important in communicating brands. Even though the respondents were divided by the importance of the distribution channel they were all unanimous about the amount of time spent with these external members of brand supporting team. All respondents stated that distribution channels required quite limited amount of brand manager's time,

Legal advisors

Importance   1.8 / 5.0   Amount of contact   1.4 / 5.0

The importance of legal function is extremely high in the tobacco industry, but there was practically no need to meet with external legal advisors by the brand managers working for Tobacco Company A as the internal legal function acted as the main contact point for external legal advisers. Thus the importance of external legal advisors was close to non-existing. On the other hand Product Manager from Tobacco Company B spent moderate amount of time with external legal advisors and thus reported that they were important in his job.

Marketing research agency

Importance   3.2 / 5.0   Amount of contact   1.8 / 5.0

The difference between companies' organization structure was also clear when assessing the importance of marketing research agency. Employees from Tobacco Company A had a specific marketing intelligence function that provided most of the needed market

information in-house while in Tobacco Company B acquired marketing research from external partner. Nevertheless brand managers from Tobacco Company A did have some amount of direct contact with external marketing research agency and the importance of this external partner was actually seen from moderate to very important.

Promotion agency

Importance   2.0 / 5.0   Amount of contact   2.0 / 5.0

The promotion agency was seen important only by the Product Manager and this might be because the Product Manager had strong responsibility of the overall success of the brands and thus participated in creation of various events that are often aimed for trade partners.

What should be noticed also is that all the employees who had worked in more than one country pointed out, that promotion agencies were important members of external brand supporting team in their previous position outside the highly regulated Nordic countries.

Public relations agency

Importance   1.6 / 5.0   Amount of contact   1.2 / 5.0

It is quite common that the communications function takes the responsibility of the public relations and this also seemed to be the case in the tobacco industry. The very limited amount of contact which led also to limited amount of importance can be also explained by the strong regulations in the Nordic countries, which basically eliminates the possibility to communicate brands via public forums.

Digital marketing agency

Importance   1.8 / 5.0   Amount of contact   1.6 / 5.0

The use of digital marketing was also something that was out of reach from the brand managers working in the Nordic countries. Only Brand Manager A, who managed a

regional brand, reported moderate importance and amount of contact regarding digital marketing agency.

Marketing agency
Importance   4.2 / 5.0   Amount of contact   4.2 / 5.0

Marketing agency can be a single point of contact for most of the external members of brand supporting team and this role explains the very high grades received by this member regarding to both importance and amount of contact.

The difference in organizations between Tobacco Companies A and B was highlighted by this question. The employees working or having worked in Tobacco Company A gave top grades for marketing agencies in both amount of contact and importance. At the same time the Product Manager from Tobacco Company B reported the importance of marketing agency to be quite low and also his amount of contact with marketing agency was limited.

One way to explain the high level of variation between the representatives of the two companies is the fact, that the all but the Product Manager worked on regional level where the organization was much larger. The larger organization tends to lead to a greater amount of various supporting functions and offers thus more possibilities for brand managers to specialize specifically on brand communications spending more limited amount of their time on other product related factors.

Other external consultants and advisors
Importance 1.4 / 5.0   Amount of contact 1.4 / 5.0

Basically no other specific group played important role in the external brand supporting team. Only some advisors related to recruiting and IT worked occasionally with some of the interviewees.

7.2 Brand management system in tobacco industry

According to the second proposition of this study, big global tobacco companies organise their operations around processes. This process-oriented approach characterises also the way that the job of brand managers is structured in these companies. Combination of professionalism and established processes provide brand managers with clear goals and expectations.

In the second part of the interview 18 questions were asked about the implementation of brand management system in the interviewees' organisations. The questions were based on the most typical questions related to the implementation of brand management system, which were presented in the third chapter of this thesis. The number of questions varied depending on the answers given by the interviewees as the researcher tended to ask additional questions. The findings from the second part have been transformed into six describing headlines.

Changing job descriptions but clear expectations
Clear job descriptions help brand managers to decide what they should concentrate on, but despite the imminent value of clear job descriptions, brand managers are often left with quite vague notion regarding to their job description. According to Bull (1968) this has been because brand managers' role changes often just to accommodate new corporate requirements and to conform to the changing environment. Even four decades later, Bull's (1968) explanation is seems to be accurate in context of the brand management system in tobacco industry.

There is a constant situation of change in the industry and in the job profile led by developing regulation and growing consolidation. Brand managers' job dimensions extend from developing brands to executing regional guidelines but we haven't been able to keep up the job profile. To be honest, I don't know whether the job descriptions are clearly communicated or not.

-Head of Brands

Actually we are just finalising a change in our organisation structure and due to this change my job dimensions have expanded. At this moment I don't really have any specific job description but that's not an exception. Usually I'm just given a territory (market) and simply encouraged to go for it (reach market goals).

-Product Manager

But even though the actual job descriptions stay on a vague level or just aren't able to keep up with the constant internal and external change, brand managers knew without exceptions what was expected from them.

We have biannual session on management by objectives where everybody get their personal objectives. How we reach these objectives is later reviewed and the grade we get is tied to our salary. On top of that we do something called Develop, which is more of a tool for personal characteristics development that points out the areas we need to develop our selves – such as leadership, team working skills. So I think at least on paper we are doing very well.

-Head of Brands

In a way this finding undermines the need for maybe slightly bureaucratic job descriptions. If a person knows the goals s/he must achieve, are job description essential or do they just create an unneeded work and barriers? From a brand managers' and their supervisors' point of view there might be little use for job descriptions, but actually they are of a great value when planning the work in a larger perspective, for example from the point of view of an HR function. Not to mention that according to Panigyrakis and Glynn (1992) gap between authority and responsibility is somewhat due to the unclear job description administered by the company.

A good deal of support and sufficient amount of resources
The inefficient allocation of resources and the general lack of support given by the company to brand managers have traditionally been seen as a source of problems in implementation of brand management system by Luck and Nowac (1965). In this thesis, brand managers didn't see any problems regarding quality or amount of general support, even though their supervisors would have liked to improve the support they were giving. Brand managers were also quite satisfied with the given resources – though naturally all the brand managers would have welcomed more resources.

> *We had brand managers who leave and breathe brands and I don't want to mess into their daily job. I trust that they as brand managers are the best experts of their brands and their brands' consumer segments. I think that it's important to ask what kind of support and help brand managers really need. On the other hand one has to be proactive in the role of brand manager and shouldn't require sparring in every single issue.*

> *-Marketing Director*

> *We do have good number of discussions with the brand manager as well as regular sessions about where we stand and what the other teams are doing. But these discussions often take place in kind of large groups so it's not really*

a discussion as more of a presentation on what's going on. I think that because many people that we have are meeting the categories I mentioned before (initiative, responsible, can do attitude) the lack of me being there all the time is compensated by their proactiveness. I whish I had more time (for brand managers) but I kind of get lost in the thousands small things, which I need to do on daily bases.... But I don't think that the support comes from analysing or looking through research material together but from keeping them (brand managers) motivated and letting them know how their goals fit with the overall company goals.

-Head of Brands

Our company is all about processes and support from managers is handled as professionally as any other of our processes. When it comes to resources we can't complain. Our budgets are never constrained and if you need more money you just build up a business case – the same thing works for any other resource, except time.

-Brand Manager A

Time management is a personal challenge

One of the major issues regarding the brand management system is the limited time at brand managers' disposal (Panigyrakis and Glynn, 1992; Andrews, 1996; Murphy and Gorchels, 1996). This is an issue that rose also during the interviews. What was interesting are that brand managers' supervisors felt that time management shouldn't be an issue for "professionals". Brand managers, who are pushing against the tough time constraints, actually agreed with their supervisors.

According to Murphy and Gorchels (1996) a proper training might be the answer to the time management problems while Wichman (1989) and Ruchards (1997) both feel that brand managers were left with limited leadership and management training, which led to time management problems. These previous finding were not accurate in the context of this research as none of the respondents saw training solving their time management problems.

> *Consumption of time is something that tends to be linked with your objectives, but it certainly helps to have clear objective. On the other hand time management is also quite person specific – some just tend to be perfectionists by nature... When it comes to training Tobacco Company A was top of the class. We had a lot of training and they were really excellent. We were also encouraged to participate in various trainings and it was rare that a person would have been denied of training he or she requested. On top of the official trainings we had also really extensive mentoring programs that truly worked.*

> *-Marketing Director*

> *Time management is definitely a tough issue. I think to handle it one has to just simply learn to say no from time to time and not try to do all at the same time... Yes, definitely (answer to a question: Do you feel you are getting all the training you need and that it supports the development of needed skills). Though I don't know whether in the future the most extensive and comprehensive training will be offered to everyone. I think there will be more strict selection about who shall receive the training, which I feel is so and so"*

> *-Brand Manager B*

Decision making power depends on the size of the brand

Several previous studies have brought forward that the gap between brand managers' authority and responsibility (Howley, 1988; Henry, 1994; Panigyrakis and Glynn, 1994; Murphy and Gorchels, 1996) weakens the decision-making. This gap has also been seen as one of the reasons causing role ambiguity and role conflict experienced by brand managers and increasing their overall job tension (Lysonski, 1985; Lysonski et al, 1989; Lysonski et al, 1995).

The limited decision making power is characteristic also for tobacco brand managers but it didn't seem to cause as much stress as one would anticipate – at least not for all brand managers. Brand manager who managed regional brand was actually quite satisfied with his decision making power compared to his colleague who managed a global brand. The increased decision making power with regional brand was actually seen in the previous sub-chapter when comparing the grades given by both of the brand managers to members of brand supporting team, as the contact points were significantly broader for the regional brand manager.

> *Hmm… I'd say no (answer to a question: Do you feel that you have enough of decision making power). It's difficult question to be honest. Of course there are certain decisions but the way to get to these decisions is very, very hard. It takes time… and I don't know. I mean we do have the decision making power but I think that people are reluctant to make decisions and take the responsibility… Yes, definitely! (answer to a question: Do you need more decision making power where you would be just able to say "we'll do it this way and not ask numerous stakeholders on their input.)*
>
> *-Brand Manager B*

There is really no need for additional formal authority. It all depends on how you set your own playground, what are your objectives and how you work with your stakeholders to achieve these goals. If you need a decision, you can easily influence your managers by presenting a good enough case.

-Brand Manager A

The difference in decision making power of brand managers regarding whether they were managing global or more local brands was also underlined by the response from the Head of Brands.

I think that's a difficult point... It's very complicated who approves what in campaigns. We have very many people who want to be involved from all sorts of different functions and different layers in the company. So I think that the authority, which the brand manager has, are actually very limited. Unfortunately or fortunately – I can't tell. But it all depends on the brand. So the bigger the brand is the more complicated it gets. With global drive brands you can't decide on packaging design and you can't decide on anything like that. It all comes from the (name of the company head quarters).

-Head of Brands

Working mostly on a tactical level

Hankinson and Cowking (1997) as well as de Chemantony (1996) claim that short-term approach has been seen as characteristic for the companies using the brand management structure. This claim is backed somewhat by Panigyrakis' and Veloutsou's (2000) findings, which state that brand managers' performances are largely appraised on the basis of the brands' annual results, and because they are perceived to some degree in the European market as unsuccessful, if brand managers stay in the same position for longer than three or four years, they are stretching their interest in short-term results.

In this study the findings were again both in line and out of line with the previous studies depending whether the brand manager was managing local or global brand. The fast paced job rotation kept the brand managers on a tactical short-term level leaving the long-term strategic goals to the top management. Even when the brand managers perceived they were working on strategic long-term level, their goals seldom were placed beyond two years ahead.

> *Brand managers' goals were set into 12 months ahead and this short term approach was backed up by the job rotation. It really didn't make any sense to concentrate on long-term goals when your goals is in the near future and when you know that you'll be changing to another position pretty soon. Only on special occasions brand managers had goals that were set bit further ahead, but this was only regarding to some bigger projects.*
>
> *-Marketing Director*
>
> *Currently many of my goals are set further than a year up ahead and actually some of these projects last for several of years. Ok, I do have a lot of ad hoc tasks and small projects but my main goal at the moment is set further that a year from now.*
>
> *-Product Manager*

Outdated structure

Brand management system is constantly criticized for being outdated. Panigyrakis and Veloutsou (2000) have argued that the modern marketing environment bears no resemblance to the original development of the structure and thus the modifications in the system are constantly becoming more dynamic and drastic. In a way, this research supports the finding of Panigyrakis and Veloutsou (2000). None of the interviewees saw an alternative solution for their current brand management system, even though the systems

were quite different from one another. In Tobacco Company A the brand managers were top specialists whose main goals were strongly tied to the success of their brands while in Tobacco Company B the Product Manager had broad responsibility for several brands commercial success in a single country. As mentioned before, it is very hard to compare representatives from both of the companies as one functioned on a country level while the others functioned on a regional level.

> *Our structure here is messed up, but this is not a good general example as we are in the middle of a merger. We have more employees than actually needed as we have to train the new people so that they'll be able to take over after we leave. On the whole the company's brand management structure is very well structured but it is also too heavy. We definitely have too many decision levels.*
>
> *-Brand Manager B*

> *I think the structure was quite clear. We had our focus brands and the investments to support these brands determined the resources. Because the brands were quite different, it was easier to allocate people behind the brands. For example if a person was doing a side move (moving from one function to another) from sales to brand (brand marketing), the person would have ended up in a team behind budget brand where the volumes are more important.*
>
> *-Marketing Director*

7.3 The tobacco market

Questions related to the tobacco market were also asked as open questions in the second part of the interview. As with previously, these findings are also gathered under three describing headlines, which are backed by quotes and references. The market related questions enable to give an answer to the third proposition, which suggests that the high level of regulations limits greatly the use of various brand management tools leading to the pricing being the most important brand management tool in tobacco industry.

Towards global brands

According to van Liemt (2002) the tobacco companies have reacted to the stagnation of demand in their traditional markets in three ways: consolidation through mergers and acquisitions, diversification by exploring new markets and new market segments as well as by raising productivity. From brand management point of view the two first reactions to stagnation are the most important as new markets and new segments are conquered and kept by strong and appealing brands.

During the last two decades the speed of consolidation in the tobacco industry has been very rapid (van Liemt 2002). As a result big global tobacco companies have gotten even bigger and their brand portfolios have grown through numerous acquisitions. Large brand portfolios are expensive and difficult to manage. There is also a question why a company should have several local brands in the country where it has also its strong global brands. At the same time cancelling acquired local brands may lead to losing these customers to competitors. Local brands are also more flexible for quick moves on the market.

One of the most difficult questions in tobacco marketing is managing the brand portfolio with global and local brands. All the interviewees thought that global brands are the key to overall success but balance between local and global brands was also seen vital for the

success. It was also seen that by concentrating strongly on few global brands the big tobacco companies open up space for smaller niche players to take.

The entire industry is trying to standardize its (brand) portfolios and it reflects on the strategic direction, which our company took four years ago. Our previous brand strategy was involved around our 300 brands while our competitor was basically squeezing one single brand to every mouth. Now our strategies are more aligned. Our competitor support Brand X and also some small brands where as we have picked up behind four global drive brands plus two small brands and then we do support some regional brands like... I don't think that we should forget about local brands and I think that has been one of the biggest mistakes in the long term that our company has made... When the new direction came four years ago it was almost too radical of a change. The process (from 300 brands to four global brands) took three years and during this time some of our local brands that were in decline declined further, because we didn't have the resource to concentrate on them. Many of these brands were premium.

-Head of Brands

Personally I believe in big global brands, because they give you the scale and they give it fast. On the other hand consumer trends have been pointing towards local again, but how should we interpret that? Especially when the consumers aren't ready to pay any extra for local and actually demand the local brands to be as cheap or even cheaper than the global brands. In my opinion local (local brands) is coming, but the meaning might just be bit different.

-Marketing Manager

When I was working in Tobacco Company C our strategy was basically to launch new local brands, but now in Tobacco Company A (that acquired Tobacco Company C) the focus is on regional and global brands. In that sense I see that there is less and less space for local brands (because of the company level decision not because of the demand). I think that it's not that we don't need local brands but that the consumer demand can be met by localising global brands... Now that the taxes and regulation on tobacco products are going up and up you have to relocate your resources and focus on few brands... The niches that were released by us, when we decided to limit our number of brands, were taken by small independent players... I see that the smaller players are starting to play more crucial role on the market."

-Brand Manager A

Pricing is the main tool

The consolidation of the tobacco industry and the concentration on few global brands per company has been seen in the decreasing amount of brands from consumers' perspective. From the tobacco company's perspective it is important to migrate the consumers from local brands, which are being cut, to a global drive brands. With very limited communication methods, tobacco companies rely strongly on price related promotions instead of traditional image-oriented advertising (Tauras et.al, 2006), but also other innovative means to encourage the migration have been developed.

Decrease in the amount of local brands is not the only change, which is driving consumers from one tobacco brand to another. The general trend in the market, according to the interviewees, is downgrading, where consumers switch to more inexpensive brands. To prevent downgrading brand managers have to justify the value of their brands and this is

done by keeping the brands interesting, price worthy and up to date. But when the downgrading does actually happen, the role of well balanced brand portfolio becomes essential when caching the downgraders by other company's brands.

We just have to build up our brand portfolios so that we have products in all the price segments and that the brands don't cannibalize one another. We try to avoid downgrading by keeping our brands contemporary, interesting and worth the money from consumers' perspective. If downgrading actually happens our balanced portfolio catches the downgraders with more inexpensive but still appealing brands.

-Product Manager

We have had some specific campaign where we have actively migrated customers from a local brands to a global brand. It was a three step process. First you had the Brand A, then you had Brand B in the Brand C wrapping, so that when you opened up a pack the brand was actually different. In the third step we replaced also the wrapping Brand B's wrapping.

-Head of Brands

Tobacco companies employing brand management system tend to have multiple brand portfolios. The underlying reason for multiple brand portfolio is that it allows to reach larger consumer masses as each brand can be tailored to suit certain segment or segments. Nevertheless the competition among brands of the same company may lead to cannibalisation (Murphy and Gorchels, 1996). Panigyrakis and Velotsou (2000) add that although the enforcement of competition was one of the main arguments that originally supported the adoption of the structure, the new environmental conditions restrict companies' capability to support brands competing with one another. Findings of this research give full support to the findings of Panigyrakis and Velotsou (2000) as the tobacco

companies try to actively build brand portfolios where the role of each brand is to cover a specific consumer segment. These consumer segments are usually divided by a three-tiered price structure with the lowest priced deep discount brands, mid-priced discount brands and the highest priced premium brands. (Tauras et.al, 2006)

Private labels, niche players and country specific price differences
According to Panigyrakis and Veloutsou (2000) retailers use all the communicational means traditionally used for the support of the manufacturers' brands to developing own-label products competitive to the manufacturers' brands. Retailers' own products are often branded with the name of the retailer (for example Tesco carries wide range of products under the Tesco brand in its stores) and differentiated in attributes other than price (Aggarwal and Cha, 1998). In various industries this has resulted in significant gains in the market shares in many categories (Panigyrakis & Veloutsou, 2000) but in tobacco industry the manufacturers seem to mostly unharmed by the retailers' private labels.

This can be explained by the fact that retailers lack credible brands and much needed price advantage. For retailers these barriers are quite significant. Firstly launching a new tobacco brand is quite complicated due to the strict regulations and demands many core competencies found only within tobacco companies. Secondly private labels aren't really able to compete in price with modern tobacco companies that have enormous economies of both size and scale due to decades of consolidation. Nevertheless some retailers, in this case German discount chains, have been able to launch private label tobacco products.

Niche players, which have gained foot partly because the big tobacco companies have concentrated on their selected global brands, were really not seen as a threat by the interviewees. Instead the interviewees' views varied from skeptic to curious. On the other hand the issue of country specific price differences, which occur due to differences in taxes, where seen as much bigger challenge. The differences in prices affect in two ways. Firstly they encourage consumers to buy their tobacco products in significant quantities from countries where the price is cheaper. Secondly the price difference may in some occasions

lead to smuggling of tobacco products from a country where they are cheaper to a country where tobacco products are more expensive. These kinds of activities are first of all harmful for the economies that impose heavier taxes as they lose all the tax revenue from these legally or illegally imported tobacco products. Secondly it certainly makes the job of tobacco brand manager much harder as there is an invisible, in sense of marketing research, inflow of tobacco products that fulfills the demand.

> *I think that in the tobacco industry no one has truly tried to conquer significant market with private labels and the cases that I've seen were mostly against local brands. I think that's because the private labels haven't really reached the price advantage that a typical private label has versus a manufacturer's brand. Much bigger challenge is the grey over the border trade. I remember few interest cases where big shipments of products sold to Bulgaria where found in distribution in Germany."*

> *-Marketing Director*

> *The threat of private labels is more country specific. It's not relevant here in Denmark, but in Germany for example we do have this issue. Overall private labels could have a big impact. Price talks and if they can build a solid structure, they'll succeed."*

> *-Brand Manager B*

I don't see impact from the private labels. I base my opinion on their lack of credible brands. When it comes to special products (such as cigarettes from organically grown tobacco) the structure of or retail sector will block them."

-Product Manager

7.4 Characteristics and set of skills

With pricing being the most important tool in tobacco brand management, the fourth proposition suggests that tobacco brand managers have a strong trade focus and they are experts on using their clients (retailers, hotels, restaurants, etc.) to communicate their brands. On the other hand tobacco brand managers tend to lack media planning skills, which are often unnecessary in tobacco marketing. In order to find an answer for the proposition and to better understand the job dimensions of a brand manager in tobacco industry, the researcher decided to find out what were the key characteristics of a successful tobacco brand manager. To paint a broader picture, researcher also asked the interviewees which skills make tobacco brand managers stand out or lag behind when compared to a brand manager from FMCG industry.

The question about tobacco brand managers' specific skills and characteristics also touches the previous research, which saw the appointment of "wrong" brand managers for the job hindering the implementation of brand management system (Ames, 1963; Bull, 1968; Clewett & Stasch, 1975). Even though these studies are relatively dated, seldom has research presented the characteristics of a successful tobacco brand manager.

Initiative organiser who sees the big picture

The characteristics of a good tobacco brand manager varied to some extent from one interviewee to another. Nevertheless there were few key characteristics, which were common for most of the interviewees. The common characteristics that both of the brand managers' supervisors brought forward was the ability to take initiative and ability to see the broad picture as well anticipation of the future. Creativity or "feeling of a brand" was only secondary characteristic for the Marketing Director and Head of Brands.

> *"They should look at their brands in a broader business context and really understand the business.... Brand managers should also understand when to give up and when to fight. Also proactivness and the ability to gaze into the future are important. By this I mean that they should sniff out where the trends are going instead of just looking back at the market researches and what the consumers are saying.*
>
> *-Marketing Director*
>
> *"I like people who have initiative. I like people who consider themselves responsible. I like people who we call are in the driving seat. Basically they see a problem and they attack it. They come with their own recommendation on how to solve a problem instead of highlighting that there is a problem. People who try to anticipate the future and try to see what kind of problems could come up and try to come up with a smart solution. Only on secondary level I want people to have feeling for brand. It is important, but only secondary."*
>
> *-Head of Brands*

The brand and product managers on the other hand felt that a good brand manager has to first of all be a good organiser, who can work with various stakeholders to get things done. Also consumer driven understanding or "gut feeling" was important to all three of the managers.

> *There are three key characteristics. First and foremost there is market and consumer understanding, because without that there is no point in being a brand manager. You have to understand market trends and market development, your consumers and your target groups. Then there is the more internal stake holder management, which is in global company extremely crucial. Just to be able to push anything forwards you have to be able to manage the stakeholders. And if you've done with those then there is one more which is budget and time management... On top of all there is creativity which is umbrella characteristic, which separates good brand managers from efficient ones.*

> *-Brand Manager A*

> *A good brand manager gets well along with different kinds of people. Brand manager should be a person who can create networks and sell both internally and externally and get all the relevant stakeholders behind his doings. A good business holistic view is also important... And of course ability to stand pressure, because there is pressure coming internally and externally as well as from both bottom and top... It's fun to play around with premium brands, but when we look at the people who actually smoke, they're seldom well educated with a high-income.*

> *-Product Manager*

Out of the box communicators with a strong focus on trade

When the interviewees were comparing tobacco brand managers' skills to the skills of brand managers in FMCG industry, utilisation of trade for brand communication purposes as well as the ability to think out of the box were often brought forward. Also the overall professionalism that is developed when working in process oriented global enterprises was something that was seen as a typical strength possessed by tobacco brand managers.

> *Tobacco brand managers are far ahead in point-of-sale marketing... When it comes consumer research the investments in terms of time, money and energy are huge. But in tobacco industry, brand managers have to build impressions of a brand without media and that's why all the slightest details are carefully though of – from points-of-sale to literally the material out of which the shelves carrying the tobacco are made. Tobacco business is for patient people.*
>
> *-Marketing Director*
>
> *Brand management in tobacco industry puts you in a tough situation when you're sitting in your office and thinking how to convey the message of your brand and communicate it to your target group. In our work we have to constantly think of solutions and tools, which normally wouldn't even come to mind.*
>
> *-Brand Manager A*

Limited media planning skills and fading consumer focus

The key skills of tobacco brand managers resulted also as their key weaknesses or skills that would need to be developed if a tobacco brand manager chooses to continue his or her career in FMCG industry. The strong focus on trade was seen overrunning the consumer

focus while the strict regulations that forced into out of the box thinking were also preventing the tobacco brand managers to develop media planning skills.

> *In the future, if more and more regulations are set, we will likely start loosing our professional capabilities. Media planning and handling multiple channel communication is already something that the newer brand managers don't know how to handle.*
>
> *-Head of Brands*

7.5 Future of the tobacco brand management

The final proposition stated that the perception of tobacco brand managers' about their future is realistic. They know that the regulations are only getting tougher and they see that these limitations will move the focus of the marketing more towards trade marketing and away from the brand management.

In this uncertain situation, two scenarios are possible for the tobacco companies. In the first scenario, privatization and trade and investment liberalization continue as they did in the 1990s. The companies are allowed to enter closed markets where their superior manufacturing, distribution and marketing skills and deep pockets will lead them to conquer greater market shares. Litigation and demand discouragement remain within manageable proportions. High levels of concentration at the national level remain acceptable and increase internationally, enabling them to become ever more efficient and to lower costs.

The second scenario would be radically different. Chinese exporters become important competitors in the Asian market while litigation becomes an ever greater threat in the Western market. Privatizations, and trade and capital liberalization, come to a halt as efforts to discourage cigarette smoking are highly successful. This latter scenario is the less likely of the two. But it cannot be discarded.

The view of the interviewees on the future development of the tobacco industry was realistic. They all saw the effect of ever stricter regulation will have on their job dimensions and actually predicted that these extreme regulations will come sooner or later. One of the clearest ongoing changes was the growing focus on trade marketing as the brand management tools were being cancelled by the regulations.

> *In case of extremely strong restrictions, such as all white packs, our job will basically become obsolete. The hardening regulations have too big of an impact on our property rights. With ever stricter regulations we'll have less space and channels to communicate our brands and this will result in a fact that we'll need less people to cover more stuff.*
>
> *-Head of Brands*
>
> *The toughening restrictions will probably change the profile of a person who does bran marketing in tobacco companies by emphasizing focus on business. The goals will be more related to the business goals instead of success in the implementation of campaigns. Portfolio management and management of distribution channels will become more important. That's what the marketing will be all about as all the other aspects will be gradually dropped as the regulation toughens up.*

Globalisation will also have a significant impact on offering as the brands will get standardised globally. The level of brand marketing will improve and those who are responsible for global brands, will bear even greater responsibility. The standardisation will be driven by the big markets and followed by the smaller ones.

-Marketing Director

From moral perspectives I think it's a good thing that we have all the restrictions and it makes me proud to work for a company that puts such an effort to follow and develop the regulations. In terms of skills it sucks a little bit (the strict regulations). I'd like to do more in form of brand management and I have done so before in Germany – print, info... It makes the whole thing more difficult but on the other hand it pushes you to develop more innovative ways to communicate with consumers.

I think that in the future the role of trade marketing will grow further. If you want to work more creatively then you should change the industry because the level of regulations will rise. Though on the other hand, if you move high enough (within the organization) you'll have the possibility to do the more creative work.

-Brand Manager B

How we utilize trade to push the message of our brands is one of our most crucial skills and also quite unique skills. But it's also where the future is taking us as the whole brand marketing is going more towards trade than consumer focus.

-Brand Manager A

8. Summary and conclusions

The last chapter of this thesis about the tobacco brand manager's job dimension summarises the empirical section of this research starting with data collection and handling, and ending with conducted analyses and conclusions made from the analyses. The second subchapter reviews implication of the empirical section in relation to theoretical section and the framework of this research.

While answering some of the questions, research often also rises new questions, which cannot be answered through the research at hand. The final chapter of this section and the whole research reviews the possible subjects for future research. These subjects would on the other hand be future research for this study and on the other researchers that would support the subject of this study.

8.1 Summary of the empirical section

In order to address the empirical research problem and to test the hypothetical framework and the propositions stated, a descriptive analytical research was conducted. Two brand managers, product manager, head of brands and former marketing director formed the population of this qualitative research. The marketing director had been working in the tobacco industry for over a decade and was working in FMCG industry during the interviews. Population was problematic in few respects. Firstly, tobacco brand managers are not listed anywhere, and therefore to interview them, they needed to be found in other ways. Secondly the activity of tobacco companies in Finland is quite modest, due to the size and level of regulations of the market. This led to the fact, that there were only a few persons in the whole country who the researcher could have interviewed for the study.

Luckily some of the companies offered contact information of their brand managers and brand managers' supervisors from other countries than Finland. In the end, enough brand managers and their supervisors were found out to have sufficient amount of responses for qualitative research.

Data was collected through face-to-face or phone interviews. All the interviewees were sent the questionnaire beforehand. This was seen as a good practice as it saved time and gave the possibility for the interviewee to use the saved time on additional questions. The questionnaire itself consisted of four sections, which concerned the interviewees' background, important, i.e. most time consuming member of brand supporting team, structure and implementation of brand management structure and skills as well characteristics of tobacco brand managers. The questions were formed based on the literature on the subject.

The analysis part of the research was made using the classification method by Miles and Huberman (see Tuomi & Sarajärvi 2002, 110–116), which divides the gathered research material into different classes by following three steps. First step was the simplification of gathered material. Second step was dividing the simplified material into groups and final step was creation of theoretical concepts. After analysing the structured part of the interview the researcher summarised the daily activities of brand managers in tobacco industry as well as how the brand managers' supervisors felt the brand managers should divide their time between external and internal members of brand supporting team. After analysis of the structured part the researcher analysed the transcriptions of the interviews, making notes out of each finding at the same time. The notes taken by the researcher were analysed and divided into relevant and irrelevant for the research question in a reduction stage. The theoretical framework of the research guided the selection process in the reduction stage.

Some level of clustering was already done in the reduction stage of the analysis. Relevant material was copied and pasted into separate file so that answers to the same topic were gathered into clusters. The foundation for the clustering was framework of the research that presents initial and current questions related to the job dimensions of brand managers. Also the industry specific questions as well as the topics raised out of broad answers formed their own clusters.

Clustering enabled the researcher to identify the connection between the clusters formed in the analysis part of the research and the theoretical models, which are used to assist the reporting of the research. The connection between propositions and empirical findings was built up rapidly in the researchers mind during transcription of the interviews resulting in the abstraction of the research material.

8.2 Conclusions on empirical findings

The fundamental objective of this research was to find out the most important and actual job dimensions of brand managers' in tobacco industry as well to find out how the brand management system is implemented in the industry. The job dimensions were researched both from actual and most important point of views in order to get a comprehensive picture. The implementation of the brand management system was researched through the point of view of the initial and current issues regarding the implementation of the brand management system. The current and initial issues were derived from the literature. The research in tobacco brand managers' job dimensions was justified by the significance of the brand management activities in the tobacco industry as well as by the fact that this subject was left neglected.

This research explores the way that brand managers in tobacco industry organise their activities and how the brand management structure is implemented in tobacco industry. Given the doubts about suitability of the brand management structure in the modern

environment, it is surprising to reveal that it is not just used extensively in this industry, but according to the interviews it seemed to be the most popular structure. This finding suggests that the brand management structure is far from obsolete, and that the criticism reported lately of its suitability should be reconsidered.

Although some might argue that the styles of brand management may be different in the tobacco industry, brand managers undertake very similar tasks to those of their counterparts working in other industries. Tobacco brand managers have surprisingly similar involvement with various elements of their job in comparison with those supporting fast-moving consumer goods brands. They all reported that they have more involvement and responsibility at the tactical level. This was expected, as they are middle managers, and strategic decisions are mainly controlled by, and must be approved by, top management and the headquarters. Their profile of activities is, however, unexpectedly comparable with the activities of brand managers working in other sectors, even in elements such as their limited contact with the distribution channels and their limited influence in the distribution decisions.

In addition, this research attempted to examine the brand managers' understanding of their role. It compares the activities that brand managers perceive they perform and those that marketing/brand directors understand their role. Marketing/brand directors require them to develop tactical approach. The involvement they expect brand managers to have, and the time they expect them to spend in their various activities, is very similar to the perceived actual involvement in activities and allocation of time of the brand managers themselves. This finding indicates that the job requirements are clearly communicated to the brand managers, since they know what is demanded of them.

As conclusion it can be stated, that study succeeded to describe the tobacco brand managers' job dimensions and the way that the brand management system is implemented in the industry. However, still as a most noteworthy result of this research were skills and the characteristics separating the tobacco brand managers from their colleagues in other

consumer goods industries. Out of the box communication and strong focus on trade were the advantages of tobacco brand managers, while the lack of media planning skills and hindering consumer focus were identified as disadvantages. Another remarkable conclusion was the shift from consumer focus to trade focus. This shift can be seen in the hindering importance of brand management function and growing size of the trade marketing function. The trend from consumer focus to trade focus will most likely influence also the characteristics and set of skills of future tobacco brand managers, who will have very limited skills in media planning coupled with overruling trade focus.

8.3 Limitations and subjects for future research

In the following some suggestions for subjects of future researches are presented. The suggestions for future research subjects are based on the questions that arouse when conducting this research, but that could not be answered based on the data and responses for this research. Some subjects concentrate on deepening the knowledge on tobacco brand managers' job dimensions and others are subjects that use this research as a basis for future studies.

This research studied the subject using a qualitative approach. Qualitative research tends to be exploratory whereas quantitative tends to be descriptive. Qualitative approach was used because while the job dimensions of brand managers in various industries have been researched the tobacco brand managers' job dimensions have been neglected. This gave the possibility to take the already existing approach to the subject and use the exploratory approach to dig in deeper in the unique characteristics set by the industry. However a quantitative approach is required in order to generalise the found underlying reasoning of the tobacco brand managers and the way that the brand management system is implemented in the industry.

Probably the clearest limitation of this research is the limited number of interviewees. Although the sample proportionally covers the requirements of a qualitative case research the actual number of responses is rather low. The limitation of the population was nevertheless tackled by the diversity of the population. With our different nationalities, four different titles, work experience from seven different country and four different tobacco companies the population of the research was very interesting.

This study has identified the group roles played in a brand management team. However, the study's evaluation of the contribution and relative importance of the role of the various members was based upon the opinion of brand managers and their supervisors alone. This is a limitation in this study and should be addressed in future research.

Analysis of the role of international brand strategies, as expressed by marketing director, on the management of a brand and its brand team was not examined in this paper. It was clear from the interviews that the influence of international strategies in the everyday life of local brand managers is constantly increasing. The team approach is an organizational solution developed for brand support and, as with all organizational solutions, needs to be consistent with the overall national and international brand strategy developed by a company. Input from international chief brand managers and their role in the management, structure and function of a team should be investigated in a future study, as it would be most enlightening.

To confirm the extent of adoption of the traditional brand management structure, future research should analyse further the organisation of the marketing activities in other fast-moving consumer goods industries, which are under the influence of strong national and supranational regulations and legislations – for example the alcohol industry. In addition, research should further analyse the effectiveness of the communication between supervisors and subordinates in the marketing department, since the research examining the understanding between the higher level's requirements and the delivered job is limited. Finally, the sample should extend to other non-European countries, to provide more generisable international information.

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Appendices:

Structure of the interview

This questioner is for former head of brands who has acted as superiors to brand managers. The interview will be used for a Master's Thesis concentrating on the job dimensions of brand managers in tobacco industry.

Total anonymity is guaranteed to the interviewees. Not their name nor the name of the company they work or have worked for will be mentioned in the research.

Background information

Years within the tobacco industry:

Positions held:

Countries where you have worked in:

Current position and industry:

Please, tell about your career within the tobacco industry.
(how it started, career development, international assignments, etc.)

Please evaluate, in the role of superior to the brand managers, the direct importance of each member of the brand supporting team to the success of brand managers in their job. Also indicate how often you feel that brand managers should be in contact with each of the members.

(1 = unimportant - 5 = very important - no answer = not applicable)
(1 = no contacts - 5 = constantly in contact - no answer = not applicable)

Internal members of brand supporting team

Supply chain / production / logistics

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Research and development

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Human resources

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Finance

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Legal

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Sales

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Marketing

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Top management

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Communications

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

External members of brand supporting team

Distribution channels (points of sale)

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Legal advisers

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Marketing research agency

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Promotion agency

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Advertising agency

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Public relations agency

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Digital marketing agency

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

Other consultants

Unimportant	1	2	3	4	5	Very important
Very limited contact	1	2	3	4	5	Constantly in contact

2.1 Overall, did you feel that brand managers were able to build desired relationships with internal and external specialists who contributed to the success of their brand/s?

The following questions are about implementation of the brand management structure in the company you worked for as well as about the common obstacles faced by brand managers in general.

a   **What were the brand managers' key job descriptions in the company you worked for and do you feel that these descriptions were clearly communicated to them?**

b   **Please describe the characteristics of a good brand manager. Do you feel that the brand managers in the company you worked for mostly possessed these characteristics?**

c   **Do you feel that brand managers in the company you worked for were given enough support from the management? How was this support - or lack of it - seen in their job?**

d   **How were the expectations for brand managers set and communicated in the company you worked for?**

e   **Do you feel that additional formal authority would have been beneficial in brand managers position in the company you worked for?**

f   Do you feel that brand managers had access to all the needed resources to succeed at their job? Could there have been more of some specific resources?

g   In your opinion, did the market get more consolidated during your career within the tobacco industry? Was there less and less brands for consumers to choose from?

h   In your opinion, was there a need for more local or localized tobacco brands? Please explain your answer.

i   Did you feel that brand managers had access to all the needed information for decision making? Could the information flow been improved?

j   What was your perception on brand managers' timetables and schedules? Dido you often see brand managers experiencing problems with time management? If so, what could have been the solutions in your opinion to overcome this issue?

k   What was your perception on the training received by the brand managers on the job? Do you feel that they were getting all the training they needed and that it supported the development of needed skills?

l   How do you see the issue of brand cannibalization was managed in the company you worked for?

m   How did you saw the effect of private labels on the brands of the company you worked for? In your opinion, was the effect of private labels the same across the tobacco industry or was it more brand specific?

n   Did you feel that brand managers in general, were striving more towards short-term (1 < year) tactical results than towards long-term (1 > year) strategic goals? Please explain your answer.

o   Did you feel that brand managers' had the responsibility and the corresponding authority to make things happen?

p   What kind of contacts do you see brand managers' having with external environment (point of sale partners) and the market (clients). Did you feel the need for brand managers to improve these contacts and were there any obstacles if they would have decide to do so?

q   In your opinion, was the brand management structure implemented overall well in the company you worked for? Do you see an option to the brand management structure for your previous employer?

r   What was your take, from brand management point of view, on anti-tobacco restrictions set by governments around the world? How did these restrictions interfere with brand managers job and how do you see the restrictions will effect on the brand managers' job dimensions in the future?

The industry specific skills of a brand manager in tobacco industry.

Tobacco brand manager decides to continue his/her career in FMCG company. What kind of advantages would this former tobacco brand manager posses compared to his/her colleagues, who haven't worked in tobacco industry? What do you see could be his/her specific skills?

What are the skills you feel that a former tobacco brand manager would have to improve as a brand manager in FMCG industry?