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Branding Entertainment:
The Case of Action Go Now

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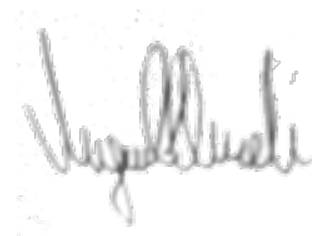
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I. Abstract

This study was an attempt to determine the value of brand in the entertainment industry and communicate the importance of effective methods of customer selection. The main objective was to develop a guideline for small media and entertainment companies to help them build brand value, penetrate the market with a unique product and service, and develop a loyal customer base.

As for research methodology, the use of case studies was fundamental to identify branding strategies implemented by successful media and entertainment companies. Local surveys, interviews and extensive secondary data were acquired to be able to analyze and recommend "Action Go Now" how to build a brand and define an audience selection method and criteria.

Although the real financial value of a brand was mentioned and is a crucial element for companies to survive, my point of departure was that for a company to be able to achieve meaningful brand equity, it all starts with brand awareness, which is strongly linked to trust. Most companies that have a relevant brand value are defined as "cult brands". They have an interesting story, a clear idea of who they are, are meaningful to their customer, and know exactly what direction they are heading to. These qualities called for a non-positivistic approach, which focuses more on identifying human needs and understanding their preferences, rather than analyzing hard data when measuring brand success.

The results confirmed that there is a significant demographic in the City of Los Angeles that possesses high paying jobs, like to spend a substantial

amount of their income in entertainment, have their favorite brands and have identified the need of more entertainment activities in their area. This demographic suits "Action Go Now" very well. Before approaching them, the company must make sure they have a set of clear messages and goals. I am recommending "Action Go Now" to focus on providing a unique experience, get involved with the local community, differentiate from the rest by offering not only a quality product or service, but an experience, while always making sure to keep the audience involved.

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1. Introduction

Some startup companies have a product or service in place, but are struggling to get brand recognition. Other companies have a brand idea, but do not know exactly what to do with it and how to build it. The second scenario is the case of "Action Go Now" (AGN).

We have all seen the small, unknown, garage based company grow exponentially to almost unmanageable proportions. I will give you a second... I am sure by now you have thought about at least half a dozen examples. How does it happen? A combination of a strong brand, good products and services, right timing, constant innovation, among many other characteristics, including luck, could be part of the explanation. This study will mention many of them, but will strongly focus on "the brand" and "the audience" as relevant forces for business success.

There is a difficulty in every market, more on some than others, to predict if a product or service will succeed or "plunge". I will focus specifically in the entertainment industry. A unique market, characterized by constant change, influenced by technological advancement, trends, a fast-paced lifestyle and a demanding customer base with an attention-spam of a few nanoseconds. This all combined with a unique revenue structure, which is in a constant change, makes this industry one of the hardest ones to predict.

The research is strongly influenced by Patrick Hanlon's "Primal Branding" (Hanlon, 2006) and Matt Mason's "The Pirate's Dilemma" (Mason, 2008). It will primarily focus on brand awareness strategies, audience identification, costumer targeting methods and customer loyalty, as forces of brand value and innovation.

Point of Departure

A big challenge for small startup entertainment companies has always been to decide how much and where to invest money. To further complicate the picture, they suffer of limited resources, which means that the "burn out rate", both physical and emotional of the small team is extremely fast. During the research I will prove that the main challenge becomes to get noticed (capture an audience) before running out of cash and energy.

Most small entrepreneurs cannot answer basic questions regarding their vision, customers and competitors, marketing strategy, uniqueness and exit strategy. The research will focus on choosing the right market segment, create a powerful brand, choosing and retaining your audience. This means that these companies have to implement a plan and commit to it. The study is relevant, since even though research has been conducted, there's a lack of a clear guideline for the media entertainment entrepreneur on successfully starting, surviving, growing and exiting a venture.

Company Profile

"Action Go Now, LLC" is the company I have chosen as a case study. As many media entertainment ventures, Action Go Now (AGN), located in Los Angeles is first and foremost trying to get noticed and decide what product and service to offer, and ultimately finding means for putting the product and/or service into the market.

The Objective

(1) Suggest a brand structure for the young entertainment enterprise.
(2) Recommend branding and customer identification strategies.

The study will approach new and existing marketing, and branding strategies, and customize them specifically for the entertainment industry. The main objective will be to: create a following, mesmerize and captivate the audience, create a loyal fan base.

Strategy

As an initial branding strategy, Action Go Now will have to create a *buzz* about their product and/or service (Hughes, 2008). The study will focus on ways of creating this buzz. (1) Start by understanding the local customer needs. (2) Design a brand that offers products and services that suits a specific demographic. (3) Combine Guerrilla Style Marketing with a Luxury Brand approach. (4) Secure local audience before approaching other markets. (5) Secure high brand awareness and customer retention. (6) Start with one city (local) and then expand to others (global), by following a similar formula in each location (franchise paradigm).

The Gap

Previous studies have not been able to capture and recommend the specific combination of social and business elements that this study will approach. The customization and on-demand creation of products, e.g. "Print On Demand", the subscription based digital distribution of content, e.g. "Netflix" and "Rhapsody", and the 25% increase of internet bandwidth and an average of 15.3 hours per week online (Center for Digital Future, 2008), has opened a window of opportunities to any media content creator, and has validated and exposed niche markets, which could not see the light of day in the past (Anderson, 2006). Because of their recent appearance and continuous development, many of these factors have not been considered in previous publications.

Limitations

The study will only suggest a business model, but will not analyze financing nor internal structures for the new media enterprise; it will focus primarily on branding, costumer development and retention strategies, recommend product and service offerings, specific to the company being analyzed (Action Go Now) and the location in which it currently operates (Los Angeles, CA). Due to the limited period available for the research, the study will only rely on short-term research scenarios and test criteria.

Questions:

1. How can a startup company like Action Go Now become an entertainment brand?

2. How can Action Go Now effectively choose their customers? Who is Action Go Now's audience?

Hypothesis #1:

Research will find out whether the majority of the world population strongly relies and is loyal to a brand when it comes to media consumption and also follows a brand when it comes to entertainment. The phenomenon of sparse, multi-sourced media and entertainment hunters is extremely small. AGN should be able to benefit from the lack of unique entertainment options, and offer a one-stop-shop for quality content, customized and suited for each audience and location where it plans to operate.

The research will propose that a new valid business model for media enterprises is one that highly focuses in getting feedback from the users to better suit their needs and be able to innovate on a continuous basis. The need of what I will call "Landmark Strategy" will be crucial in Action

Go Now's brand awareness strategy and to successfully capture an audience. Communicating strong social awareness, by designing a business structure that contributes to the community, will help build trust and well as reputation and be relevant in the local community. The need of a new type of media and entertainment enterprise is crucial, as extreme abuse of power has left a "bad taste in artists' mouths", and has damaged overall media and entertainment companies' reputation in our community.

Hypothesis #2:

The study will propose that AGN's should serve as an interface, an infrastructure, to expose selected content to an audience. AGN will be designed to function as a "medium", giving artists and communities the opportunity to meet one another and have a common platform for distribution and consumption. The subtle marketing campaign will focus specifically in targeting the Los Angeles Metropolitan demographic comprised of the "Young Achievers" segmentation group (PRIZM Segmentation), ages 24-39, with an average household income of around $80,000. Interactive art and music events, merchandise and a line of apparel will be created to gain brand recognition and loyalty. An important goal will be to build a link between artists and communities, to offer a commonplace and distribution channel for face-to-face interaction, a playground of sorts.

2. Literature Review

2.1 Definitions

"Brand"

The term "brand" has been difficult to describe; hence it is intangible by nature. Measurable terms are brand value and brand equity, but even these can only partially explain the success of a brand. Even marketing experts are incapable of explaining the full reasons why one brand is more successful than another. One theory that states how a brand succeeds is that "the brand must own a simple, focused position in the prospect's mind" The idea of taking over some real estate of a consumer's mind has since the 1970's become one of the most influential ideas in branding. (Douglas, 2004)

The following are relevant definitions of "brand":

"A brand is a collection of perceptions in the mind of the consumer." (Anonymous)

"The intangible sum of a product's attributes: its name, packaging, and price, its history, its reputation, and the way it's advertised." (David Ogilvy)

"A name, sign or symbol used to identify items or services of the seller(s) and to differentiate them from goods of competitors." (The Dictionary of Business and Management)

"A strong brand represents an unmistakable mental image of a product or a service that is solidly anchored in the consumer psyche." (Meffert, 2000)

"Successful brands are credible, meaningful, unique, holistic, sustainable, clear, and consistent. They add value to the customer

experience across all touch points, and are trusted because they consistently deliver their promise." (Bueno, 2007, p.9)

2.2 Financial Brand Value

Brand value is "the financial value of a brand defined as the sum of all earnings that a brand is expected to generate."(Millward Brown Optimor, 2008, p.25). For many companies brands represent a substantial portion of its overall market value or equity (PricewaterhouseCoopers and Sattler, 2001).

Having a competitive advantage does not only depend on being able to satisfy functional requirements of the customer, but also their intangible needs. It is now a matter of not only understanding what your product or service can do for them, but also what they mean to them. (Haigh, 2007, p.1)

Tangible value is defined as "value generated by a company's physical, material assets such as plants and inventory. The rest of a company's value is "intangible," which is value generated by intangible assets such as intellectual property, distribution networks, management expertise, research and development pipeline, and of course, brands. Brands are often the most valuable asset, accounting for approximately one-third of the value of the Fortune 500 today." (Millward Brown Optimor, 2008, p.27)

An increasing recognition of intangibles and the ability to clearly measure them has transformed the brand into a special intangible, which for some businesses becomes the most important asset. The influence brands have on customers, employees, investors and government authorities creates real shareholder value. Non-profit organizations

embrace the brand as a key asset for obtaining sponsorships, donations and volunteers. (Lindemann, 2004)

Key financial qualities of brands are: (1) Brands are classified as intangible assets, (2) strong brands have real and lasting effects on company performance, (3) financial evaluation of brands can be difficult, but tools to measure them have been designed.

RANK	BRAND	BRAND VALUE ($M)	BRAND VALUE CHANGE
1	Google	86,057	30%
2	GE (General Electric)	71,379	15%
3	Microsoft	70,887	29%
4	Coca-Cola (*)	58,208	17%
5	China Mobile	57,225	39%
6	IBM	55,335	65%
7	Apple	55,206	123%
8	McDonald's	49,499	49%
9	Nokia	43,975	39%
10	Marlboro	37,324	-5%

brandz Top 10 Most Powerful Brands

Source: Millward Brown Optimor (including data from brandz, Datamonitor, and Bloomberg)
*The brand value for Coca-Cola includes the values of both Coca-Cola and Coca-Cola Diets and Lites

Figure 1. Top10 Most Powerful Brands

BrandZ releases a yearly report of the Top 100 Brands and compares their market performance to the S&P 500 Index for the last three calendar years. Brown has interviewed 1 million consumers across 31 countries to compare 50,000 brands; data used to analyze category performance was sourced from Datamonitor (www.datamonitor.com) and company financial reports.
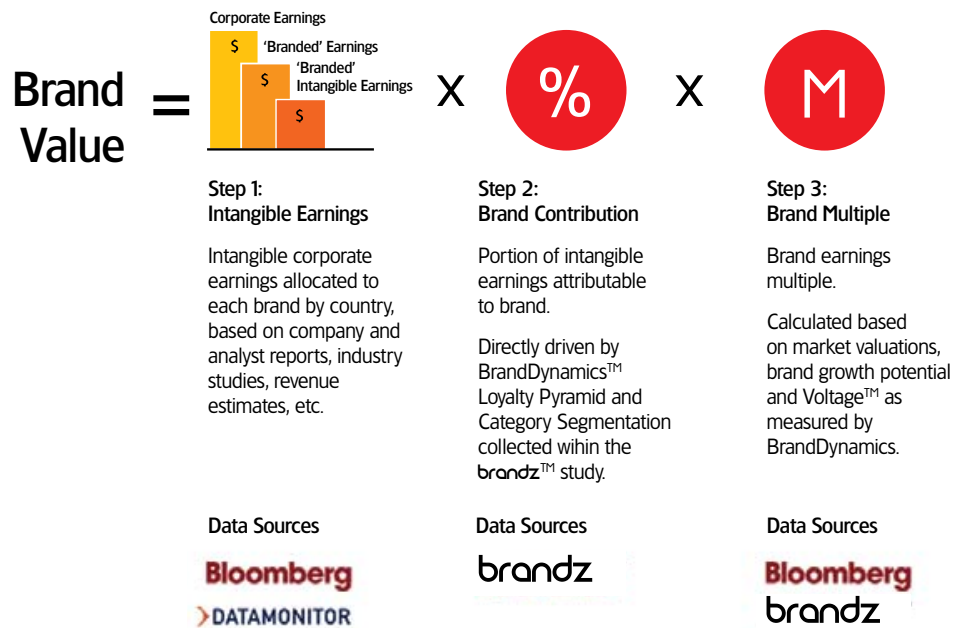
Figure 2. Top 100 Most Powerful Brands

(Millward Brown Optimor, 2008)

To qualify brands, Millward Brown relies on two key components: (1) Company's intangible earning allocated to individual brands and countries of operation, basing them on publicly available financial data from Bloomberg, Datamonitor and their own research. (2) "Brand Contribution", which is a metric made available by the BrandZ ranking, which quantifies the role of brand in driving earnings. It isolates the brand's income contributed by loyal customers that rely on the brand, instead of factors like "price" during their purchasing decision. BrandZ has built a consumer loyalty database and updates it with ongoing research data.

In 2008 the combined value of all brands in the BrandZ Top 100 increased by 21%, from $1.6 trillion in 2007 to $1.94 trillion in 2008; this is twice the increase seen in 2007. "Google tops the list again with a brand value of $86.1bn, followed by GE at $71.4bn, and Microsoft at $70.8bn. The biggest risers in the ranking included Apple at $30bn with

the biggest dollar increase in the Top 100 list, and BlackBerry, that entered the BrandZ Ranking at number 51 thanks to a brand value increase of 390%." (Millward Brown Optimor, 2008, p.2) Forbes magazine reports that even though PepsiCo has a net tangible book value of only $6.5 billion, it has a market value of $87 billion. Forbes estimates PepsiCo's brands account for 70 percent of its intangible assets—more than $50 billion (Badenhausen and Fluke, 2004)

Company	2002 brand value ($bn)	Brand contribution to market capitalization of parent company (%)	2001 brand value ($bn)
Coca-Cola	69.6	51	69.0
Microsoft	64.1	21	65.1
IBM	51.2	39	52.8
GE	41.3	14	42.4
Intel	30.9	22	34.7
Nokia	30.0	51	35.0
Disney	29.3	68	32.6
McDonald's	26.4	71	25.3
Marlboro	24.2	20	22.1
Mercedes-Benz	21.0	47	21.7

Source: *BusinessWeek*, Interbrand/JP Morgan league table, 2002

Figure 3. 2002 Brand Value and Brand Contribution
(Busines Week, 2002)

In entertainment, the Disney brand accounts for 68 percent of shareholder value and McDonald's tops the list with a 71 percent. (BusinessWeek, Interbrand, 2002) Relevant brands invest in R&D, which leads to a continuous process of product development and improvement, which then leads to releasing more products than companies with lower brand value (Profit Impact of Marketing Strategy, 1998)

Since Action Go Now is in a startup phase, financial measurement of the brand is impossible at this point. For its size, the company is comparable to privately owned companies, for which Brand Value data is not publicly available. The data from companies like Disney is relevant, since it proves that a strong brand has a measurable and substantial monetary value.

2.3 Customer Driven Brand Value

Successful brands create value through "strong business basics, a clear and relevant value proposition that is communicated powerfully and consistently, delivery of a great experience that matches the brand's promise and effective leadership of trends or aspirations." (Millward Brown Optimor, 2008, p.27). They also know that decisions for or against their brands are not just made rationally (Atkin, 2004, p.99)

Brand Value can be created by real product differentiation. The key for differentiation is value pricing, where the challenge becomes to make customers feel comfortable on trading performance vs. product or service vs. price. One of the most recent, major business trends are mass customization and one-on-one marketing (Neal, 2000). Clear examples are "Print On Demand" services like *www.lulu.com*. This topic is of extreme interest and will be expanded in the findings and recommendation section on chapter 4 and 5. Marketing metrics like "top of mind awareness", "unique brand position", or "even share of market" are not directly convertible into key financial metrics like net present value (NPV) of earnings, or return on investment (ROI). (Hupp and Powaga, 2004).

SDR Consulting's Advanced Brand Valuation (ABV) differs from Millward Brown's Brand Value measurement, since it uses four distinct financial analysis modules to determine a brand's fair market value: isolation,

forecast, risk and strategic options. These parameters are fundamental for ABV to work, but the core principle of the ABV method is that "future consumer demand ultimately determines the financial value of a brand." No demand means no revenue, no earnings, and no return on investment (Mussler and Hupp, 2004). This approach is very similar to the relation between brand awareness and revenue, or brand awareness with consumer spending and usage. (Adamson, 2007)

BRAND AWARENESS = Market Value

Market Value = Revenue

BRAND AWARENESS = Trust = belief

Belief = Spending and usage

Figure 4. Brand Awareness (Adamson, 2007)

The consumers' attitude, described as their thoughts and feelings about a brand, drive future demand for the brand. Every single encounter and experience that consumers have with a brand and its competitors influence these attitudes. (Hupp and Powaga, 2004) Consumer's brand attitude is dependent on the psychological strength of the brand in the minds of consumers, creating a strong link between marketing investment and demand.

"You see my logo a million times, I will be famous" – LADY PINK, Graffiti Artist. (Mason, 2008)

Figure 5. Brand Potential Index (Hogl and Hupp, 2003)

ABV relies on CfK's "Brand Potential Index (BPI)" as the key metric that reflects the overall psychological power of a brand in the consumer's mind. BPI is a consistent measure that has been used across a variety of product and service categories throughout the world by GfK (Hupp, 2000). "BPI has also shown to be dependent on controllable marketing actions such as advertising, promotion, and distribution" (Hogl and Hupp, 2003).

Brand marketing invests to create positive brand experiences through advertising, packaging, product and service quality, and word-of-mouth. SDR Consulting's Brand Value/Brand Equity tool, which relies primarily on conjoint and discrete choice experiments, helps companies measure quantitatively the marketing success or failure of a brand, giving them a real Return on Marketing Investment (ROMI) number (Hogl and Hupp, 2003).

Figure 1
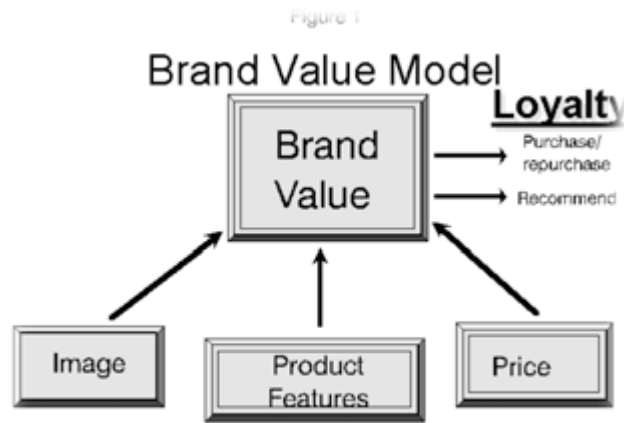
Brand Value Model

"(1) The value someone attributes to a particular branded product or service is equivalent to the total utility (in the economic sense) that person assigns to the product or service. Brand value may vary from consumer to consumer. (2) Brand value to a purchaser is the sum of the utilities of: (a) Product Features - the bundle of tangible and readily identifiable product features/attributes delivered by the branded product or service, (b) "Brand Image", which is a bundle of intrinsic features/attributes delivered by the branded product or service and (c) the price of those two bundles of features/attributes. (3) Brand equity is defined as the bundle of intrinsic features/attributes delivered by a branded product or service. It is measured as the price differential someone is willing to pay for a particular branded product or service over an identical product or service that is unbranded. Alternatively, this definition can be re-crafted to state that brand equity is the difference in utility between two products or services that are perceived to deliver an identical set of tangible benefits at the same price. (4) A conjoint and discrete choice models are used to uncover brand equity. Thus, we make the normal assumptions in all conjoint/choice models that: (a) Consumers are rational and attempt to optimize utility in the process of choosing a product or service, (b) the utility is summative and (c) the price has a negative utility. That is, the higher the price the lower the utility." (Neal, 2000)

Figure 6. Brand Value Model (Neal, 2000)

Brands are valuable if their attribute address the specific motivating conditions that lead people to action (Yang, 2002) and can be used as basis, as variables in market segmentation analysis (Fennell and Allenby, 2002). Personal and environmental systems intersect, triggering and motivating purchasing conditions; they provide a better explanation of behavior than demographic and psychographic variables, and are

also more appropriate variables for explaining relative brand preference. (Neal, 2000)

''Product use,'' and its corresponding domain of human activity, provides groupings of ways in which people allocate their resources. Authors commonly use the term, ''consumer behavior'' or ''purchase behavior'' leaving it ambiguous whether they intend ''product use''. (Fennell, 2000)

In an effort of helping Action Go Now manage its resources properly, in chapter 3 it will state the different research methods and statistical data available, and in chapter 5 it will be suggested appropriate branding and customer selection methods.

2.4 The Luxury Brand: success by targeting a defined audience

In today's spiritual economy there is a marketplace for communities as well as goods and services. The fact that millions of people are looking up to brands to provide functions normally provided by political, social and a religious institution is marking a pivotal point in the supply and demands equation. (Atkin, 2004, p.201)

"The trend of introducing a variety of premium, standard and economy alternatives has forced brands to stretch across many variants and has clouded their message and what they really stand for." (Schwartz, 2005) One market sector that has been determined to offer a set of products and services to a defined niche population and has been extremely successful in transmitting a clear message, targeting and capturing a specific audience, has been the Luxury Brand.

	CATEGORY	BRAND VALUE GROWTH
1	Mobile Operators	35%
2	Technology	33%
3	Personal Care	27%
4	Fast Food	27%
5	Luxury	24%

Table 1. Brand Value Growth (Millward Brown Optimor, 2008)

Luxury (+24%)

The global luxury brand category is worth roughly $400bn. This number is likely to grow to $2 trillion by 2010, fueled by an emerging group of consumers, especially in emerging markets looking for "new luxury." "New luxury" refers to products and services that deliver even higher levels of quality, taste, and aspiration. Luxury brands are extending into leisure and construction through the development of branded hotels and residential complexes. In established markets, luxury brands are under pressure to be socially and environmentally responsible. A recent report by the WWF criticized luxury brands for being "slow to recognize their responsibilities and opportunities". (Millward Brown Optimor, 2008, p.7)

25% of the global consumer population considers Luxury Brands to have a better quality and 60% wear designer brands to project a social status. (Nielsen PR, 2008) The success of brands like Gucci, Chanel and Armani, is mostly related to the fact that they have focused on a limited set of products and have targeted the upper class consistently. In fact, the growth strategy relies on custom-made, limited edition and one-of-a-kind products (Pedraza, 2008). This brings us back to the concept of "customization" previously mentioned.

The "Luxury Market Report" classifies luxury product consumers into four types: (1) X-Fluents – spend the most on luxury and are invested in luxury living, (2) Butterflies – highly involved luxury consumers who are

less materialistic but spend as much as X-Fluents, (3) Luxury Cocooners – focus on home and spend the most on their home-related merchandise and (4) Aspirers – have not yet achieved the luxury they aspire to be, but are much attuned to brands.

Innovation, unique customer experience and active customer involvement are common trends in luxury brand strategy. An interesting phenomenon is the recent and constant increase of "aspirers", which is making the luxury market grow at 10 to 15 percent per year (Boston Consulting Group, 2004). Many experts consider that the middle ground is disappearing and consumer population are choosing affordable products on a daily basis, but learning as much as they can about luxury items, to be knowledgeable and prepared for the time when they can finally afford them. (Boston Consulting Group, 2006)

2.5 BMW Films Case Study: Luxury meets Branded Entertainment

Relying on Fallon Worldwide Ad Agency, top-notch film directors and the Internet as a distribution channel, short films for the Internet were born with BMW Films (Hespos, 2002). The marketing campaign consisted of short movies showcasing BMW cars. Each episode featured a different car model, different director and a cast of famous actors and actresses. The main target were potential customers between the ages of 24 and 44 who were new to the luxury car market. BMW's customer base in 2000 was a 46-year-old male with a median income of $150,000.

In 2001 BMW sales increased by 12.5% compared to 2000. 60% of the viewers signed up for the newsletter. Of these, 94% recommended the films to others and over 40,000 volunteered to answer a survey. (Admap, 2007, p.17) By 2005 films were viewed more than ten million times and nearly two million users registered to the site. Some have called the campaign "Advertainment", a blending of entertainment and

advertisement (Rich, 2001), some "Viral Marketing" (Hespos, 2002) and others "Branded Entertainment". (MarketingVox, 2005)

Through the use of a quantitative/qualitative research model known as "Research Theater", Ameritest conducted research on two BMW Films (Young and Shea, 2007). The research concluded that one movie, "Powder Keg" completely missed the point of brand building, decreasing the perception of BMW as a luxury brand, while the other, "The Hostage" did improve BMW's brand ratings.

TABLE 1				
Pre to post ratings – 'Powder keg' and 'Hostage'				
	'The Hostage'		**'Powder Keg'**	
	A **BMW** **Pre-viewing**	**B** **BMW** **Post-viewing**	**A** **BMW** **Pre-viewing**	**B** **BMW** **Post-viewing**
BMW ...	(49)	(49)	(49)	(49)
is a leader in innovation engineering and technology for automobiles	61 ⟶	83 A	72	80
understands high performance means greater safety	61	57	64	72
enhances the joy of driving	74	78	84	76
creates an exhilarating driving experience	70 ⟶	87 A	72	76
has superior handling	57 ⟶	74 A	76	88
dominates the luxury car category	48 ⟶	70 A	80 B ⟵	56
A/B = significant difference at 90% confidence level				

Table 2. Pre to post ratings – 'PowderKeg' and 'Hostage'
(Young and Shea, 2007)

What is relevant is that the research identified efficient "Branding Moments" in both films and concluded that when plotting the "Flow Attention" against the "Flow of Emotion", in terms of audiences' attention and emotions, the upper right corner is the one that stands out the most. (Young and Shea, 2007, p.18) Branded Entertainment is not the same as product placement. "The brand is an instrument in the story – irreplaceable." (Young and Shea, 2007).

Branding moments: when attention and emotion meet

High attention/low emotion   High attention/high emotion

Flow of attention images

Low attention/low emotion   Low attention/high emotion

Flow of emotion images
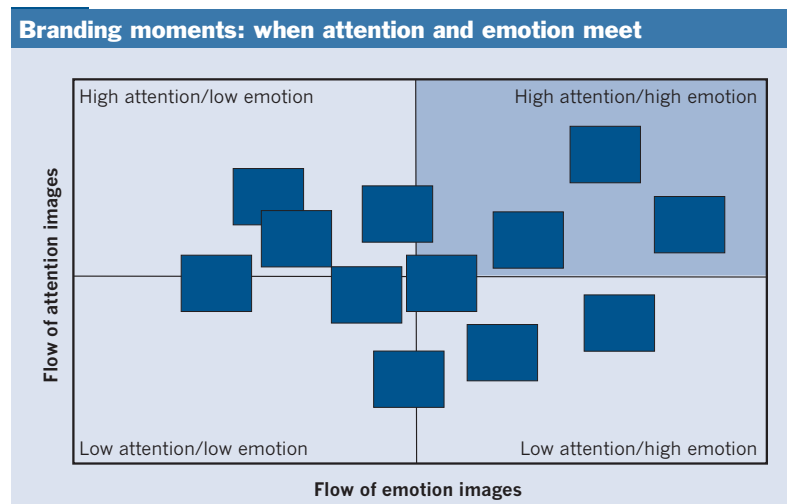
Figure 7. Branding moments (Young and Shea, 2007)

We can conclude that by creating compelling media, BMW generated their own self-selecting audiences without the need of heavyweight media spending. (Meadows-Klue, 2007) Although no reasons were stated on the press release, after four and a half years and after being viewed over 100 million times, BMW announced the end of the film series.

The difficulty with "branded entertainment" is that even for companies with respectable marketing budgets, it is rather expensive. According to TNS Media Intelligence, BMW's $70 million media U.S. spending did not allow BMW to continue supporting the film division (MarketingVox, 2005). Shortly after this announcement, "The Hire" series was inducted into the permanent collection of the Museum of Modern Art (MOMA). (BMW Films Press Release, 2005)

The power of "branded entertainment" for the smaller businesses is that with a "guerrilla style" approach, a well designed material, which presents the brand on high emotions and attention zones, has the potential of reaching millions and could easily justify the cost involved.

2.6 The Lifestyle Brand: a multi-niche umbrella approach

Figure 8. Maslow's Hierarchy of Needs (Maslow, 1943)

People are looking for new, high emotional connections to help them make a decision; they are looking for what they can love. (Roberts, 2005, p.36) Maslow's hierarchy of human needs (Maslow, 1943) can perfectly be applied as a guideline for any brand to become relevant, meaningful; if relevant enough, reach higher levels: become a "cult-brand".

The four bottom layers of the pyramid are what Maslow called "Deficiency needs", also know as "D-needs". The "Cult Brand" phenomenon is the one that captures more "Belonging values" (or B-values). B-values include: Truth, Goodness, Beauty, Wholeness, Aliveness, Uniqueness, Perfection, Completion, Justice, Simplicity, Richness, Effortlessness, Playfulness, Self-Sufficiency. (Lee, 2008)

Social groups want to become part of a group and these brands are proud of being different and unique. One crucial aspect is that "cult brands" like Apple, Ecko, IKEA and Oprah create communities that celebrate lifestyles filled with adventure and fantasy. These brands and their communities are determined on improving their lives. (Lee, 2008)

Figure 9. Loyalty Level (Bueno, 2007)

"Cult brands sell lifestyles". (Bueno, 2007, p.13) "Musicians must make music, artists must paint, poets must write if they are ultimately to be at peace with themselves. What humans can be they must be. They must be true to their own nature. This need we may call self-actualization." (Maslow, 1943)

For many years, "self-actualization" was considered the highest level in the pyramid. Only recently "Aesthetics" have become a fundamental extension of Maslow's pyramid when used for branding. The Apple iPhone and the combination of Barnes and Nobles bookstores with coffee shops are clear examples of the use of aesthetics to appeal to customers and build a brand. (Postrel, 2004) Style, distinction and customization are crucial elements in today's branding. The successful lifestyle brands strongly rely on these elements, in combination with targeting subgroups. (Rice, 2006)

Good examples are "active lifestyle brands", which are perceived by their customers as an authentic representation of the lifestyle and values they are attached to. These customers purchase active lifestyle brands not because of their functional utility, but rather for what they represent; they love the brand. These brands have the ability to move customers away from rational purchase behaviors. (Hogeboom, 2005)

In the effort of giving customers a unique identity, many brands are raising their profiles by exploiting contemporary design to create individualized, highly customized products. Timberland's "Custom Boot"

and Puma's "Mongolian Shoe BBQ" are two excellent examples.
(AMICUS Group, 2007, p.4)

"Lifestyle brands have a soul, they are not just products, services and
marketing" (AMICUS Group, 2007)

Seven Dimensions of Lifestyle Brands

® The AMICUS Group
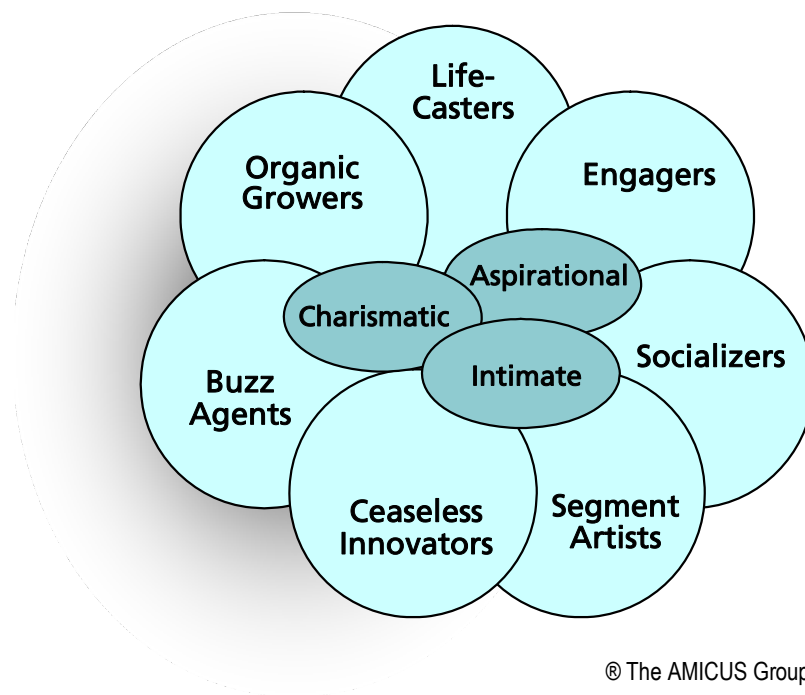
"Being a Lifecaster could in fact be the most important dimension in becoming a Lifestyle Brand.
These brands are lifestyle amoebas; the brand becomes interchangeable with the lifestyle. They
set trends and become community. Clear examples are Virgin, MTV, Harley Davidson and Ecko
Enterprises.

Engagers – Lifestyle brands very often function as enablers, focusing on self-actualization and
self-fulfillment. They are brands that empower their customers. Lifestyle brands excel at
reaching out and engaging new (and re-engaging loyal) market segments.

Socializers – Lifestyle brands not only use the "interactivity" to engage target segments, but
equally to create a sense of participation, belonging, and community. Lifestyle brands are social
brands, and here they excel.

Segment Artists – These lifestyle brands constantly sub segment and refine their targeting – all
to better own distinctive affinities and consumer attributes.

Ceaseless Innovators – Lifestyle brands are all about creating newness, originality, and "today's designs."

Buzz Agents – Owning a lifestyle segment's pulse requires that these brands be powerful and quick-footed buzz agents.

Organic Growers – Not to confuse lifestyle brands with altruistic ones, these businesses constantly focus on acquiring new customers, growing brand-use frequency, and driving higher margin sales."

Source: AMICUS Group Whitepaper Number 12 pp.2-4 15

Figure 10. Seven Dimensions of Lifestyle Brands (AMICUS Group, 2007)

2.7 Audience selection and retention methods

2.7.1 Create a customer

THE THREE DIMENSIONS OF THE CUSTOMER'S EXPERIENCE
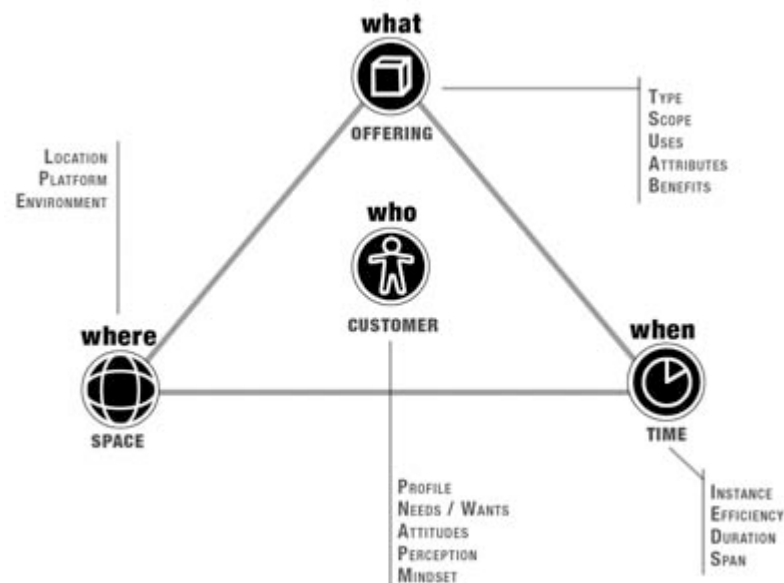
Figure 11. The Three Dimensions of the Customer's Experience (Bueno, 2007)

"The sole purpose of business is to create a customer" – Peter Drucker

Creating a customer, knowing whom you are targeting is a very efficient way of designing a marketing strategy and even an entire business model. (Bueno, 2007) Having a profile of your customers and being able to serve them with sound product design and quality service creates a strong brand personality, creating value and differentiation. For the customer it increases trust and comfort, which automatically reinforces positive decision-making the next time they encounter your products and services.

It is evident that individual consumers do not simply rely on one single category to suffice their product and service needs. They favor brands in each category and subconsciously and continuously are building and defining what I call a "Brand Preference Profile" (BPP). The interesting and powerful opportunity for marketers is to be able to classify, understand and target individuals and communities, driven by the specific mix and choice of brands they favor in each category.

The earliest attempts to segment and classify consumers according to psychographic criteria derived from the marketing industry's interests in how consumer behavior was motivated (Gunter and Furnham, 1992)

 "Recognizing experiences as a distinct economic offering provides the key to future economic growth." (Pine and Gilmore, 1999)

2.7.2 Targeting and engaging the customer

Once the customer base has been defined, your product can be customized to match their needs. The hard part is to make the first contact; then let the customers do the work for you. They will engage word-of-mouth (WoM), ignite a "buzz". Marketers have analyzed word-

of- mouth winners like Elmo and Crocs and have identified the following key components: (Balter, 2008b)

"STELLAR PRODUCT: Distinctive. Innovative. Features unlike anything else on the market.
PASSIONATE AND DEDICATED AUDIENCE: Made even more distinctive and noteworthy by a community of outspoken, equally passionate, product haters.
BRAND VALUES: Consumers align with values that are very important to their own identity.
IMPECCABLE TIMING: From youth trends to distribution to market demands to competitors' follies. The point: You can't pick this moment. It picks you." (Balter, 2008b)

These components complement "The Three Dimensions of the Customer's Experience" (Bueno, 2007) quite well. The key to make a brand "Buzzworthy" is to engage the customer, stimulate interactivity. The ongoing increase in bandwidth and a 25% yearly increase in internet shoppers (Comscore Networks Report, 2008) is a unmistakable force to spread the message and create online passionate individuals and communities, which will help a company promote and distribute the marketing message. Still, attention to traditional street level word-of-mouth around the local community should not be forgotten. 1970's "The Loft" (David Mancuso) phenomenon, "TIKI 183" and "SKEW" Guerrilla Branding happenings, (Mason, 2008) justify the need for local presence and exposure. The power of the local community should not be underestimated and your branding strategy should target and depend on it. (Mason, 2008) Figure 12 shows five clear stages around the implementation and nature of Buzz and WoM.
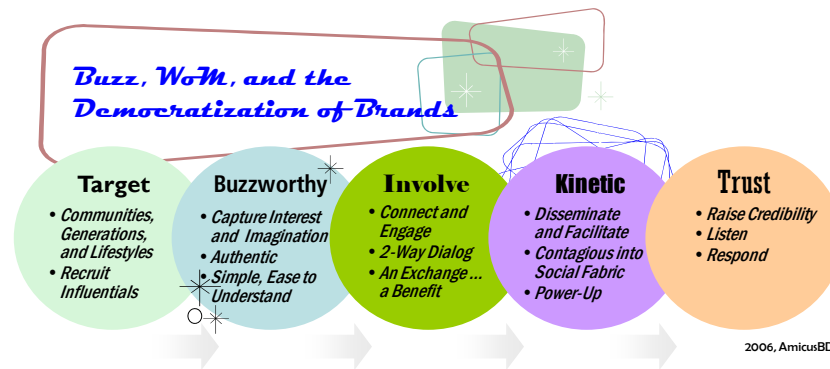
Figure 12. Buzz, Wom and the Democratization of Brands
(AMICUS Group, 2006)

2.8 Marc Ecko Enterprises Case Study

"You have to really truly be a lifestyle brand. You have to exist in our culture on all levels. Music, movies, video games, cell phones, clothing." – Marc Ecko (CNBC, The Big Idea Show, 2008)

About Marc Ecko Enterprises

Marc Ecko, Seth Gerszberg and Marci Tapper founded the Company in 1993. Evolving from just six t-shirts and a can of spray paint, Marc Ecko Enterprises has become a full-scale global fashion and Lifestyle Company that reported billion-dollar retail figures in 2007. Current Marc Ecko Enterprise brands include: *ecko unltd., Marc Ecko Cut & Sew, eckored, Avirex, G-Unit, Zoo York, Complex Magazine, Complex.com and Marc Ecko Entertainment, a videogame and multimedia division (marceckoenterprises.com).

Current Facts & Figures

In 2007, Marc Ecko Enterprises generated more than $1.5 billion dollars in global retail sales. *ecko unltd. with its iconic Rhino logo, continues to be the strongest performer, generating approximately $800 million a year in retail sales worldwide. Domestically more than 5,000 department and specialty stores carry Marc Ecko Enterprise brands. Marc Ecko Enterprises international division operates with over 30 partners (including subsidiaries, licensees and distributors) on 6 continents. The five international MEE subsidiaries are in France, Italy, Germany, Sweden and Hong Kong. MEE's portfolio of brands can be found in over 80 countries through department/specialty store distribution and in over 70 full price and 16 outlet stores. Current domestic licenses include: Kids Headquarters, Skechers USA Inc., and Callanen International. The E-commerce site shopecko.com was launched in November 2007 and carries all MEE brands (marceckoenterprises.com).

Marc Ecko Enterprises' "7 Brand Messages" (Hanlon, 2006) and a historic timeline of the company will be used as a method to measure successful brand value growth in chapters 4 and 5.

3. Research Methodology

3.1 Research Design

The research question, cost and time limitations of the study, combined with the nature of the study suggest "Phenomenology"[1] as the appropriate research method. The underling meaning of phenomenology is that an 'organism creates its environment' (Clegg and Dunkerley, 1980, p.267) and that understanding the importance of ongoing relationships people have, to be able to be understood as individuals (Clarkson, 1989, p.14), clearly put phenomenology opposite to the theory and quantitative driven positivistic approach, reason why "phenomenology" is also known as the "non positivistic" approach. To have a deeper understanding of the brand phenomenon, I will apply an abductive approach; Empirical and existing findings will be used and then refined them to suit Action Go Now needs.

To be able to answer the questions and confirm the hypothesis, analysis of statistical data and theories of brand valuation will be studied. The use of multiple methodologies calls for a pluralistic approach. Hard statistical data will also be used. In this case study, primary data will come from interviews, surveys and direct observation. Secondary data will come from published research; statistical data generated by expert agencies and accepted literature. The combination of both primary and secondary data will give a deeper understanding of the problem. (Creswell, 2003)

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[1] "Phenomenology is a theoretical point of view that advocates the study of direct experience taken at face value; and one which sees behavior as determined by the phenomena of experience rather than by external, objective and physically described reality". (Cohen and Manion, 1987)

As brand awareness and customer selection will be studied, the phenomenological paradigm fits right, as it states that (1) the world is socially constructed and subjective, (2) the observer is part of what is observed and (3) that science is driven by human interest. My main role as the researcher will be to understand what is happening and develop ideas through induction from evidence. (Remenyi, Williams, Money and Swartz, 1998) Qualitative research is appropriate for brand awareness research and also customer selection, since it will allow me to define problems and understand needs, reactions. On the other hand, with the smaller data sets I will be able to acquire, the primary research will not be enough to analyze market trends. For this reason, I am relying on quantitative statistics, derived from secondary research, which will allow me to explain market trends more appropriately.

The outcome of the research should be to answer the research questions, document the phenomenon of a brand and the branding activity, its value in the entertainment business, and relevance in individual's life and in society.

3.2 Methods of Data Collection and Analysis

3.2.1 Direct Observation (Socialisation):

Much of the qualitative data will be gathered through observational research. Socialisation (Gill and Johnson, 1991) will be used to understand the Los Angeles market, in which Action Go Now will initially operate. There will be a need to socialize with the potential customers and figure out how to best approach building the AGN brand, by identifying the presence of future partners, competitors, and analyze how individuals and communities interact. The objective will be to bring abstract concepts, test their implications, capture concrete experiences

and then generate observations. Once observations have been logged, there will be a stage to reflect on them (Kolb's learning cycle), then feed the results to the other research methods and finally be able to suggest a branding strategy for Action Go Now.

Nathan Jenkins (Action Go Now founder) and I attended multiple events in the Los Angeles area. During all these events, we discussed and made notes of topics like (1) Venue: location, capacity, design, attendance, (2) Event: subject, media, pricing (entrance and alcohol), merchandise, (3) Audience: demographics, spending, attitude, length of stay, loyalty, and ultimately (4) Brand: message, awareness and communication.

The notes taken while attending these events will complement the "Los Angeles Demographics and Brand Awareness" survey findings, and will help giving clearer recommendations to Action Go Now in their venture of creating an entertainment brand, secure brand value growth and conquer brand loyalty from their audience. The following are the events Nathan Jenkins and I attended:

| 08-05-2008 |
| The Airliner Venue, Los Angeles (featuring a night of electronica) |
| 08-08-2008 |
| SCION Gallery, Culvery City, CA |
| 08-11-2008 |
| Spaceland, Los Angeles, CA (Monday Night Free Entry Shows) |
| 08-12-2008 |
| Guerrilla Party, Los Angeles, CA |
| 07-16-2008 |
| Apple iPhone 3G Release, Pasadena, CA |
| 08-23-2008 |
| Sunset Junction, Los Angeles, CA |
| 08-30-2008 |
| Cannibal Flower, Downtown Los Angeles |

Table 3. Los Angeles Summer 2008 Events

3.2.2 "7 Brand Messages" Survey

(1) The Creation Story, (2) The Creed "Mantra", (3) The Icons, (4) The Rituals, (5) The Pagans, or non-believers, (6) The Sacred Words, (7) The Leader

Based on the "7 Brand Message" paradigm described in "Primal Branding" by Patrick Hanlon, a survey asking a company's stakeholder to answer each of the seven pillars the company is based on, will be distributed to ten companies that are relevant in their industry and have reached a certain "success" over the years. The questionnaire will be designed and distributed using www.surveymonkey.com and answers will be organized using "NovaMind Platinum" software, creating mind-map-style tabulation. Answers will be analyzed to find similarities, extreme differences, identify patterns, with the main goal of measuring Action Go Now's brand essence and potential in becoming a successful brand.

3.2.3 Stakeholder Interviews:

My point of departure while doing interviews was to be "as curious about the experiences of others as possible", (Buchanan, 1988) while trying to stay unbiased as possible. Qualitative interviews were conducted to the following individuals: (1) Manuel Bernardez, Nike In-Store Creative Director (2) Nathan Jenkins, Action Go Now Owner (3) Federico Guitierrez Schott – Wired Magazine Creative Director 2004-2006 (4) Nada Projects (5) Carson Chan, Gallery Owner, Berlin (6) Kim Cascone, Anechoic Media (7) Emily Miller, Emily Miller Productions (8) Eduardo Larez, Visionear Music and Sound Design (9) Ricardo de Montreui, Movie Director: MANCORA (10) Jose Wolff, MUN2 TV Channel Art Director and (11) Michael Leko, "The Library Bar" Owner. These

interviews are relevant, since each of these individuals or companies are currently, or were at some point, facing similar challenges to the ones Action Go Now will face. The feedback will be a valuable source of information when writing recommendations for Action Go Now's brand strategy. These interviews were setup on an informal setting and no strict question and answer method was applied.

3.2.4 Mark Ecko Enterprises (MEE) Analysis

Since Action Go Now is in a start up phase, one of the primary data sources will be an analysis of the brand strategy Mark Ecko Enterprises has implemented since its beginning as *ecko unltd. The findings of this case study will rely on (1) the "7 Brand Messages" paradigm, answered by Marc Ecko during an interview, and (2) the historic timeline of the company. I will graph the historical timeline of Marc Ecko's company and highlight meaningful decisions that contributed to an increase of Mark Ecko's net worth, brand value and equity. As the findings will confirm, a company's timeline can give you valuable information, which should not be omitted when doing an in-depth analysis.

3.2.5 Surveys

In business and management, structured interviews frequently constitute a major part of the research protocol. (Bell, 1993) The study will rely on two custom designed surveys. The first one, a qualitative survey named "7 Brand Messages", which was distributed to selected stakeholders of successful companies; answers by Marc Ecko have also been acquired. The second one, with the purpose of measuring effectiveness of Mark Ecko Enterprises' brand messaging, is based on an "a priori segmented" audience selection, which only requires the survey-taker to be a current resident of the Los Angeles Metropolitan area. The survey is a custom

built demographic and brand awareness questionnaire generated by me. The software used to generate, distribute and retrieve results will be provided by www.esurvey.com. It contains a mix of quantitative and qualitative questions and will be distributed to a pre-selected audience of 25 individuals.

The analysis will primarily focus on demographic, psychographic and brand awareness relations. By using "Lifestage (PRIZM)" categories, to classify the responses and by qualifying brand awareness of Marc Ecko Enterprises, I will try to confirm that specific demographics favor different brands, and that there's also a "complete brand rejection" trend in the Los Angeles community, which can also be seen in other worldwide communities. "A priori segmentation", will drive the sample population being chosen for the survey. The sample consists of an audience that Action Go Now had already in mind to target. "Lifestage (PRIZM)", introduced by Arnold Mitchell to explain changing U.S. values and lifestyles in the 1970's, will be used to classify the respondents, with the objective of having a common classification, which can then be compared with secondary research data.

The results will be tabulated and charted, with the main objective of being able, in a limited way, to understand the Los Angeles, 25-39 year old individuals' needs, purchasing trends, local entertainment needs and brand loyalty attitude. JMP7 will be the software utilized to analyze the survey results.

3.2.6. Document Analysis

To complement and compare the primary data findings, secondary data will be used. This secondary data allows me to get a better perspective of the current and future outlook of the entertainment and consumer market. For the "Los Angeles Demographic and Entertainment Market

Survey", the results will be compared with relevant global and US standardize surveys and reports, like "The Mendelsohn Affluent Survey 2008", "PWC Global Entertainment and Media Outlook 2006-2010", "MPAA 2007 Entertainment Industry Market Statistics", "Survey of the American Consumer", "EMR Music and Brands 2006", "BrandZ Ranking Report 2008", BCG's "Trading Up To New Luxury" and the "Digital Entertainment Survey 2008".

3.2.7 Limitations

The study will identify brand awareness strategies deployed by companies, which increases brand awareness and value. The study will identify the ones that Action Go Now can put in practice on a pre-defined audience. I will focus on the Los Angeles entertainment expenditure trends, with a small sample size and a very short time frame. These limitations make it extremely hard to be completely certain about consumer behavior, demographics and market segmentation. Added to the limited time, consumer decision-making is usually hidden and hard to predict. This study will not be able to explain why costumers are driven to a certain product or service at the time of purchase. Trying to even get close to this answer would require a lot of experimentation.

4. Findings and Discussion

4.1 "7 Brand Messages" Findings

As mention in chapter 4, a survey was designed and distributed to ten companies from different industries and some stakeholders were interviewed to expand on the key elements of their organization. The full response of the survey can be found in Appendix D. Due to the qualitative nature of the survey, the answers were analyzed; keywords and messages for each of the seven brand pillars were listed on a spreadsheet and then transferred to a Mind Map application. From the list, patterns emerged and they will be discussed in this section.
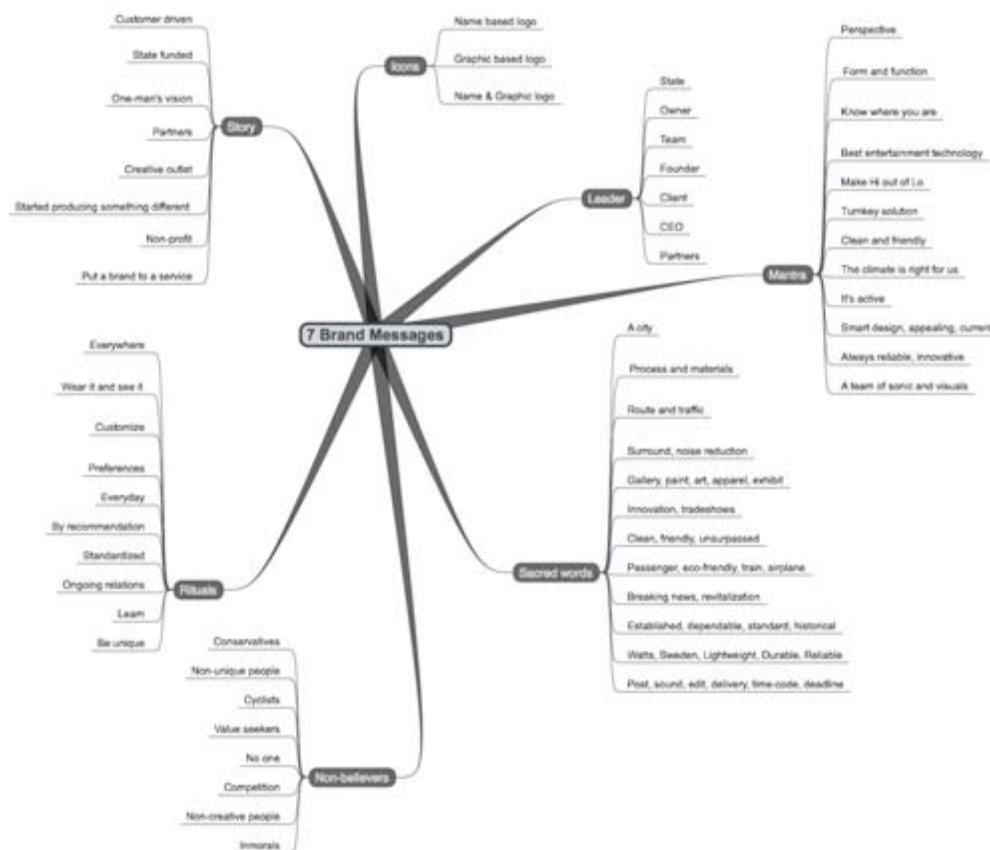
Figure 13. 7 Brand Messages Map

Story

Each Company had a relatively unique story, but common messages were identify. "Customer driven", "non-profit" and "state-funded" were messages found only once, each of them answered by different companies. 20% of the messages contained: "partners", "creative outlet", "a product other than the current one" and "put a brand to service". 30% of the stories had "one-man's vision" as the main storyline.

Mantra

Mantra was one of the most diverse categories. I identified the trend of being very specific to the market each company is in, but with the interesting quality that any of the messages could be applied to any of the markets. The lack of repetition could be explained by the fact that a mantra is the vision of the company and it is a very creative, unique and fulfilling statement. I have organized the messages into three categories. (1) Messages that put emphasis in the product, something tangible: "turnkey solution", "clean and friendly" and "smart design, appealing, current". (2) Messages that put emphasis in the user's experience: "know where you are", "best entertainment" and "always reliable". (3) Messages about an overall feeling, a direction or condition: "perspective", "the climate is right for us", "make hi out of lo", and "it's active".

Icons

Each and every answer identified the logo of the company as the icon. Interesting was the fact that there were three distinct types of logo design. The first one, with a 40% of the answers was a "name based" logo, which had no use of graphics, only a defined font used to spell out

the name of the company. The second category, with 40% of the answers, was a "graphic based" logo, which did not spell out the name of the company, but only relied on graphics for identification. The third and last category with 20% of the answers, were companies that relied on a combination of name and graphics for their logo.

Rituals

As this is a category that identifies the customer's daily interaction with the product or service, answers were slightly heterogeneous. A very interesting fact was that 50% of the companies believed rituals were based on how the product was perceived and how the customer used the product on a daily basis. Words like "everywhere" and "everyday" were mentioned in 50% of the answers. "Be unique" and "preferences" were other perception-based answers. The other half of the answers understood "ritual" as the means of how customers hear about the product or service: "by recommendation", "ongoing relations" and "learn".

Non-believers

Only 10% of the answers considered competition as the pagans, the non-believers. 30% considered "value seekers" the pagans; it is worth mentioning that these companies offered a higher-end product. Another 30% mentioned "conservatives" as the non-believers. This was a common answer given by innovative, creative and visionary companies. The remaining 30% considered non-believers the people in the industry and consumers that thought differently and did not agree with the value offered by the brand.

Sacred Words

The sacred words were the most heterogeneous and industry specific answers of all. They are important, since they show how companies are specialists and experts in each of their markets. Generic messages like "clean, friendly, unsurpassed" were found once; words that could be applied to any industry. Other than that, all other answers were extremely industry and product specific.

Leader

The leader is the soul of many companies. Some companies are lost once the original leader leaves. The results of the survey confirmed that successful companies rely on a strong leader. 30% of the answers considered the founder or a family member of the founder as their guide. 80% of the answers mentioned either the founder(s) or the current owner as their leader, and 30% considered their current CEO their leader. Other answers included "state" and "the team". Evidently these companies were not based in the USA. An interesting fact too was that one company considered their main customer the leader.

4.2 Marc Ecko Enterprises Timeline and Brand Value Growth Analysis
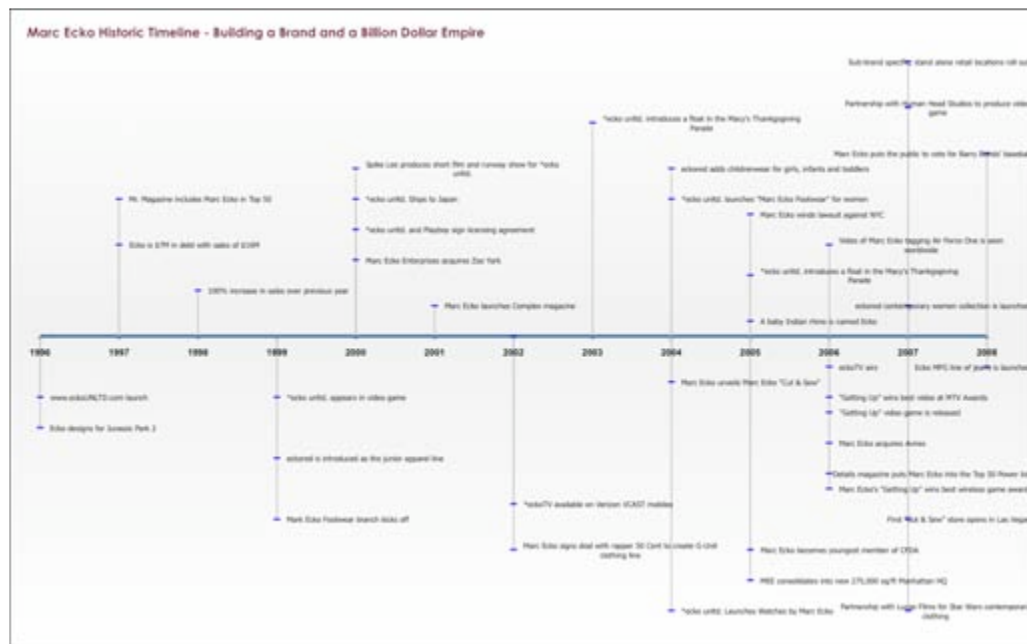
Figure 14. Marc Ecko Historic Timeline – Building a Brand and a Billion Dollar Empire

4.2.1 Marc Ecko Brand Timeline Analysis

In 1993, while studying pharmacy, Marc Milecovsky (Ecko) decided to launch Ecko Unlimited. He strictly focused on creating t-shirts targeted to a local New Jersey and New York young demographic. Ecko's success, influenced by staying local for many years and limiting production to one product (apparel), confirms that small companies have to specialize and gain local markets, before branching into other product lines and other markets.

4.2.2 Co-branding, partnerships and licensing deals

In 1996 one key event that marked the beginning of Ecko's success was being able to secure designs for "Jurassic Park II, The Lost World".

Distributed by Universal, "Jurassic Park II" has had a total gross income of $618,638,999, was rated #1 in 1997's opening weekend chart, is still ranked #39 on worldwide income record for a movie and was nominated for an Oscar Award. (www.boxofficemojo.com) The exercise of co-branding, initially setup as a work for hire, generated a long-term increase in brand valuation. (Hupp and Kenn, 2004) That same year, Ecko, aware of the importance of the Internet, launched www.eckoUNLTD.com

In 1999 *ecko unltd. designed a line of apparel for Marvel Comics. This co-branding agreement with a relevant media and entertainment company, increased *ecko unltd.'s brand value significantly. Shortly after, in the year 2000, *ecko unltd. and Playboy entered into a licensing agreement. For many years Marc Ecko stayed at a halt when it came to licensing deals, concentrating primarily in expanding operations. In 2007, Marc Ecko Enterprises signed a major partnership with the award-winning "Human Head Studios" to develop an as of yet unrevealed title for next generation consoles. That same year, going back to his roots and aware of the fact that original Star Wars' fan base was now older, liked to dress well and had a higher income, Ecko teamed up with Lucas Films on a special clothing edition: Star Wars themed line of apparel under the Marc Ecko Cut & Sew Label.

Marc Ecko Enterprises Historic Value in MM
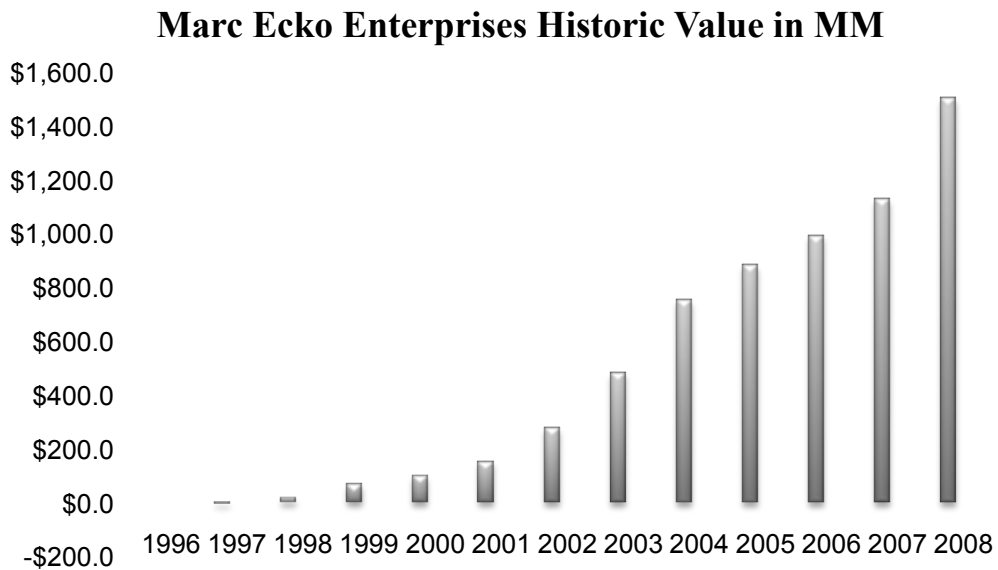
Figure 15. Marc Ecko Enterprises Historic Value in MM

4.2.3 Covering all apparel needs

After having a solid presence in the t-shirt market, 1999 marked Marc Ecko's branching out into the footwear segment when he introduced Marc Ecko Footwear and his demographic expansion, when he also introduced its new juniors line, eckored. Continuing in 2002, branching into unisex accessories, *ecko unltd. launched "Watches by Marc Ecko".

2004 was in my opinion the pivoting point in Marc Ecko Enterprises' billion-dollar business transformation. Until this year both the female and the affluent income market were not being exploded by any of Ecko's brands. With an aggressive release of three lines that year, with the key purpose of branching out into different demographics, including a higher income bracket, while solidifying his reputation as a respectable clothing designer, Ecko unveiled (1) Marc Ecko "Cut & Sew", a contemporary menswear collection, (2) expanded eckored, adding children wear for girls, infants and toddlers, and (3) introduced *ecko unltd. "Marc Ecko

Footwear" for women. Continuing his efforts of capturing the female demographic, Marc Ecko announced the Holiday 2007 launch of his new contemporary young women's collection under eckored. In 2008, although penetrating an already saturated market, Marc Ecko launched a new line of jeans called Ecko MFG. This move shows Ecko recognized the historic importance of jeans, which have helped brands like Guess and Calvin Klein build brand equity and capture new audiences.

4.2.4 Celebrity branding

An evident brand value generator is having your leader become a celebrity. Only after four years of operations, Marc Ecko was included in the "50 Most Fascinating People in Menswear" list. In 2003 Marc Ecko Enterprises signed a deal with rapper 50 Cent to create the G-Unit Clothing Company. This brought up celebrity exposure, co-branding and subsidiary brand architecture (branching) as core strategies. In 2005 Marc Ecko became the youngest member of Council of Fashion Designers (CFDA), which confirmed that his 2004 release of Marc Ecko "Cut & Sew" paid off by solidifying his reputation as a designer. His fame continued growing, when the same year, a baby Indian rhino was born, and was named Ecko. In 2006 Marc Ecko got included in Details magazine Power 50 list for the 3rd year in a row. This marked the point where the rhino logo stopped being the main brand identifier, and made Marc Ecko the icon instead.

4.2.5 Financials and Operations

In 1997, after being almost $7 million in debt, Ecko Unlimited was able to increase sales by 100%. This was strongly influenced by the appearance of the rhino logo. After coming from a tradeshow and

realizing all his competitors relied on words and not symbols as a brand image (logo), and after revisiting brand idols like Nike, Marc Ecko, inspired on a wooden rhino he used to play with when he was child, released the rhino logo to the public. No focus group to measure approval was conducted. (CNBC, 2008) The appearance of the rhino logo generated a 100% increase in sales over the previous year. (Cooper, 2008)

"Validation comes from consumption. You put it out there; the market voted on it" - Mark Ecko commenting on the Rhino Logo. (CNBC, 2008)

In the year 2000, after six years of operations, *ecko unltd. went global with its first shipments to Japan. In 2004 MEE consolidated operations into its new 275,000 sq/ft Manhattan headquarters. A headquarter, a tangible asset, produced an intangible brand equity growth. Aware of the necessity for more brand landmarks, the company announced the aggressive rollout of its new full priced retail operations, including standalone Marc Ecko Cut & Sew, *ecko unltd., Ecko Kids, Zoo York and Avirex stores. In 2007, the first Marc Ecko, Cut & Sew retail store opened in Las Vegas' Fashion Show mall, the now trendy and hip entertainment city of the US.

4.2.6 New Media and innovation

Marc Ecko's origins were apparel, but to become a Lifestyle Brand, innovation and presence in new media was crucial; Ecko was not shy to quickly move into this market. In 1999, *ecko unltd. became the first design house to appear in a video game: "Knockout Kings 2000" . Then in 2000, Spike Lee produced a short film and a runway show for *ecko unltd. at CFDA's "Seventh on 6th". With this, Ecko demonstrated the use of the film medium as a branding tool, co-branding with an acclaimed director and using a fashion show event to show new designs; this all

generated buzz while setting a branding milestone. In 2002 Marc Ecko ventured into Media Publishing by launching Complex magazine and in 2003 *ecko unltd. introduced a float in the Macy's Thanksgiving Day Parade, relying on event driven branding; the occasion also proved how powerful the brand had become.

In 2005 he entered the mobile gaming market and soon got rewarded when his product "Getting Up" won "Best Wireless Category" at Spike TV Awards. Focused on the video game market, a $36 billion dollar industry, the 2006 release of Marc Ecko's first video game "Getting Up: Contents Under Pressure" marked another key moment in Ecko's new media presence. That same year the game won a MTV Video Music Award for best videogame soundtrack. This put Ecko in a comfortable position. At this point, if he had had the need of developing a record label, he would have been successful in that too, as he had already confirmed to be a trustworthy brand to get music to his audience.

In 2006, moving away from video games and targeting TV, MEE proved being innovative when *ecko unltd. reinvented the retail landscape with the introduction of eckoTV. It became the only fashion label to produce its own unique video content. In 2008 *eckoTV becomes available on VCAST video from Verizon Wireless.

4.2.7 Acquisitions

Over the years Marc Ecko has showed that a big part of becoming a successful umbrella brand is the need to expand and acquire other companies. In 2001 Marc Ecko Enterprises acquired Zoo York, the East Coast's leading action sports brand. This move showed how valuable it is to buy a recognized brand, with a quality product, and a well-established audience. It also secured owning a relevant "action-lifestyle

brand". In 2006 Marc Ecko Enterprises acquired Avirex Ltd, reinforcing the brand's presence in the urban and sport apparel market segment.

4.2.8 Controversy

Creating a "David and Goliath" story to capture media, an unusual or outrageous story, or simply create controversy, is one of the most efficient ways of generating buzz and building brand awareness. (Hughes, 2008) In 2005, in a typical "David and Goliath" story, Marc Ecko won a lawsuit against New York City, generating international press coverage. During the same year, through applying the unusual and outrageous, a video of Marc Ecko "tagging" Air Force One was seen and reported around the world. He was showing his audience and to the world, that even though MME was a million dollar company, Mark Ecko, his commander in chief, "stuck" to his roots and core values. In 2007, in another controversial and celebrity exposed branding move, Marc Ecko gave the public the opportunity to determine the fate of Barry Bonds' 756th homerun baseball. The end result was a massive news coverage, with millions of hits to the website he designed to cast the vote. Ecko's final decision was considered "the right thing to do" by most people in the world.

4.2.9 Social Work

Gaining social and local community respect is another key branding strategy. The Barry Bonds homerun baseball dilemma gained him a huge social respect. Earlier, in 2005, Marc Ecko launched "Sweat Equity", an after-school design program for underserved teens.

4.2.10 Future Outlook and Conclusion

With current earnings of $1.5B and 60 retail mall and street stores, MEE is planning to expand to 100 stores next year and 150 by 2010. Effy Zinkin, president of MEE states that most metropolitan area stores, generate in average $500 per sq/ft. MEE, relying on the brand umbrella approach, harnessing many brands, has expanded its demographics from the 14-25 range to 14-35 year olds. Continuing its expansion, "Marc Ecko Presents" will be launched in Times Square in 2009.

The historical timeline analysis of a company can show key events that have helped the company increase or decrease brand awareness and brand value. As mentioned in chapter 2, the "brand" is an intangible asset with real financial value. With the help of tools from Millward Brown and SDR Consulting, Brand Value and Brand Equity can be calculated. Startup entertainment companies like Action Go Now, should not take their decision-making lightly. Chapter 5 will generate a comprehensive list of recommendation for brand building strategies.

4.3 Los Angeles Demographic and Brand Awareness Survey Results

4.3.1 City of Los Angeles and Survey results compared

Quick Glance

Population:	3,834,340
Population Growth:	3.5%
Population Density:	8,388
Median Age:	34 years
Median Income:	$42,529
Cost of Living Index:	131

Los Angeles Demographics
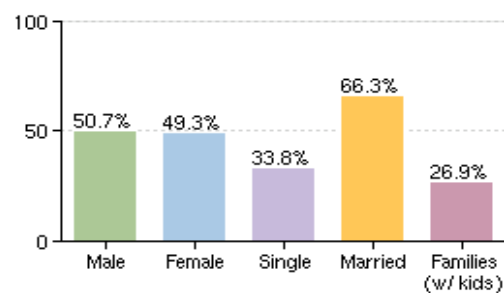
Figure 16. Quick Glance: City Of Los Angeles (Yahoo, 2008)

The "Los Angeles Demographic and Brand Awareness Survey" was sent to a population of twenty-five, selected 'a priori'. The selection criteria: distribute the survey to a demographic that Action Go Now had already in mind to target and currently reside in the City of Los Angeles. First of all, it is important to compare the population sample with the published demographic data of the City of Los Angeles, and highlight some similarities and differences. Since the last census was done in the year 2000, the Los Angeles demographic data was compiled, combining

projections from the U.S. Census for the year 2008 and Yahoo's Neighborhood Information website.

The survey results, when compared to the Los Angeles Demographic data, had noticeable differences in the following areas: (1) The average household income of the Los Angeles City is currently $42,529 and the survey's average household income was $83,620. (2) The City of Los Angeles has a single population of 33.7%, while in the survey, 68% of the survey-takers marked "single" as their status. (3) Only 6.9% of Los Angeles households generate an income of $120,000 or more, while 28% of the survey respondents marked this option.

Income comparison

Income Range	My Survey	2008*
Over $120,000	28.00%	6.90%
$90,000 - $119,999	8.00%	8.18%
$60,000 - $89,999	20.00%	26.43%
$45,000 - $59,999	16.00%	17.13%
$30,000 - $44,999	20.00%	16.07%
Less than $30,000	8.00%	42.49%
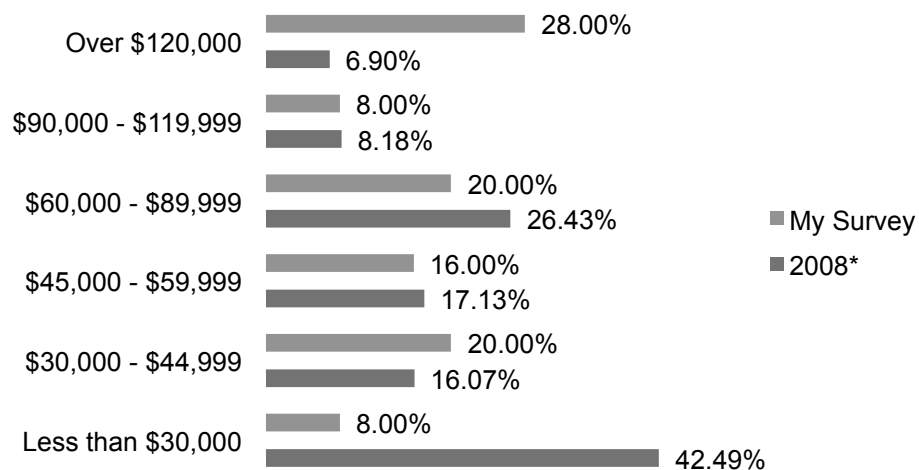
Figure 17. Income comparison

(4) My survey sample contained a 52% of individuals with ages between of 24-35 and a 28% between the ages of 35-44. Although these ages are well represented in Los Angeles, they only represent 16.62% and 15.94% of the total population.

Age comparison
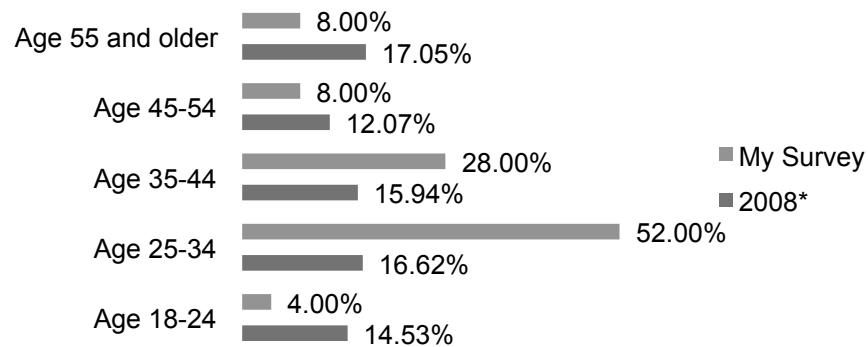
Figure 18. Age comparison

(5) The City of Los Angeles has a 78.8% of high school graduates, a 10.8% possesses a Bachelor's Degree and only 5.5% have Graduate studies. The survey was distributed to a sample population that had 0% of high school graduates, 36% indicated having a Bachelor's Degree and 44% completed graduate studies.

Level of Education
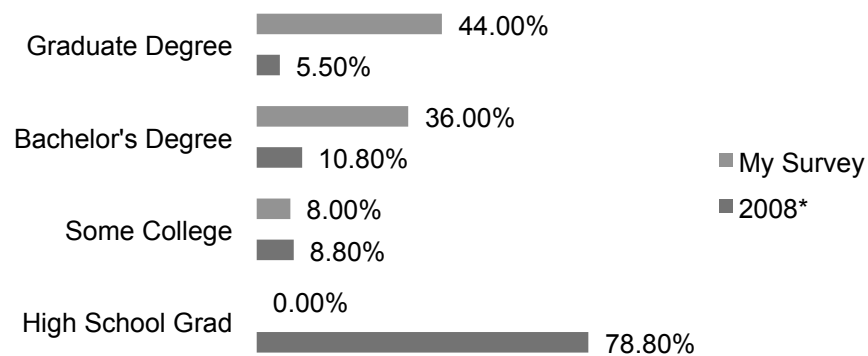
Figure 19. Level of Education

As of similarities, the survey's female and male split, and the median age were almost identical to the ones obtained from the City of Los Angeles report.

From these results we can conclude that Action Go Now is targeting a very niche population, which has the following qualities: (1) highly educated, (2) with high-income households, (3) mostly single and (4) between 25 and 44 years old. "Claritas PRIZM market segmentation tool" becomes useful when trying to classify these qualities. It divides demographics into two groups: Social Groups and Lifestage Groups. The dominant social group derived from the survey's answers, qualifies Action Go Now's audience as an "Urban Uptown" Social Group and a "Young Achievers" Lifestyle Group. When using GfK NOP's "LifeMatrix" segment to classify Action Go Now's target audience, I can clearly recognize three categories that are being targeted: Tribe Wired, Fun/Atics and Dynamic Duos. (Appendix C contains both PRIZM and LifeMatrix segment descriptions).

4.4 Los Angeles Demographics and Brand Awareness Survey Results

4.4.1 Age and income:
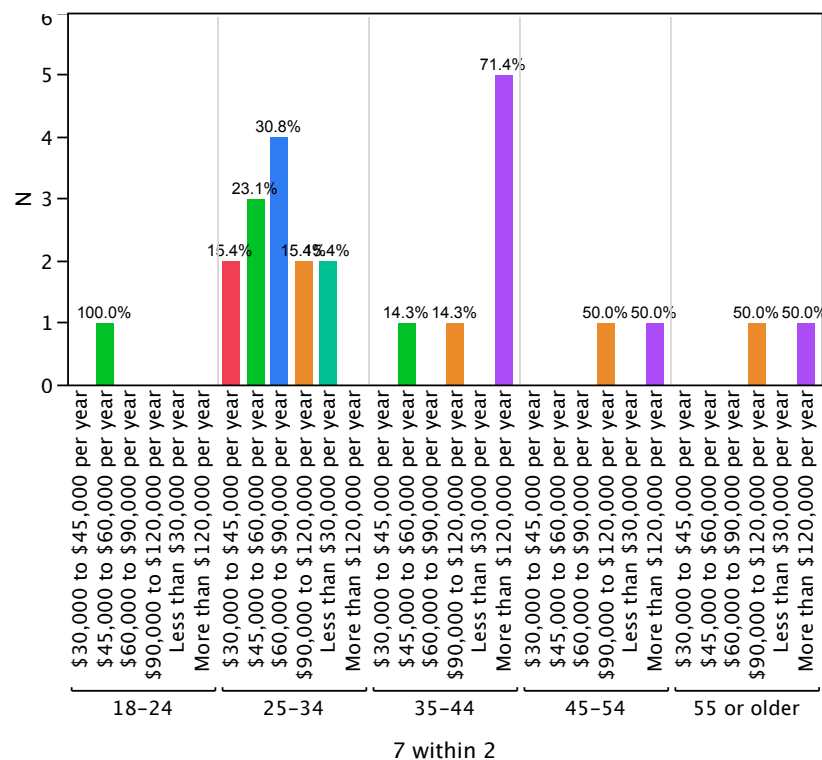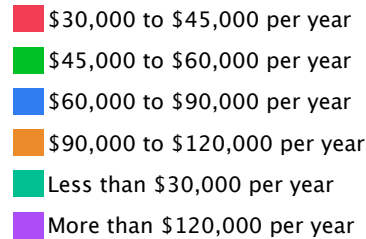
Figure 20. Age and income

71.4% of the high-income "affluent income" segment was between ages 35-44, followed by a 30.8% in the 25-34-age bracket. These results could lead into the preliminary conclusion that Action Go Now is targeting a young and wealthy crowd.

4.4.2 Age, income and entertainment activities

11. How do you spend the majority of your entertainment income (any money you have that is not dedicated to rent/mortgage, utilities, groceries, etc.?) - (Please limit your choice to a top 5 items/activities)	Responses	Ratio
Dining out at restaurants	20	21.98%
Going out to bars	15	16.48%
Watching movies in the theatre	14	15.38%
Purchasing toys and video games	2	2.2%
Purchasing electronics	3	3.3%
Purchasing clothes	10	10.99%
Purchasing art	3	3.3%
Attending concerts or performing arts events	14	15.38%
Attending sporting events	5	5.49%
Attending or hosting parties	5	5.49%
Respondents: 25 Total Responses:	91	100%

[other info] 3

Figure 21. Age and entertainment needs

"Dining out at restaurants" lead the leisure activities, included in 21.9% of the answers, followed by "Going out to bars" with 16.4%, "Attending concerts or performing arts" with 15.38% and "Watching movies in theaters" with 15.38%. When concentrating in the 25-44 ranges, and including income as a variable, after doing an "aligned response" analysis, there was no relevant influence of higher income in leisure activity trends.

4.4.3 What is missing?

12. Do you see a need for more entertainment in your area? (Select all that apply)	Responses	Ratio
Restaurants	7	11.67%
Bars	7	11.67%
Movie theaters	4	6.67%
Clothing shops	5	8.33%
Video game stores	1	1.67%
Live Music Venues	13	21.67%
Art Galleries	9	15%
Parties (weekly or monthly)	8	13.33%
Hotels	6	10%
Respondents: 24 Total Responses:	60	100%

[other info] 1

Figure 22. Entertainment needs

Most answers (21.67%) mentioned the need for more Live Music Venues in their area, followed by art galleries (15%) and parties (13.3%). The need of Live Music Venues was even higher from respondents in the 35-44-age bracket.
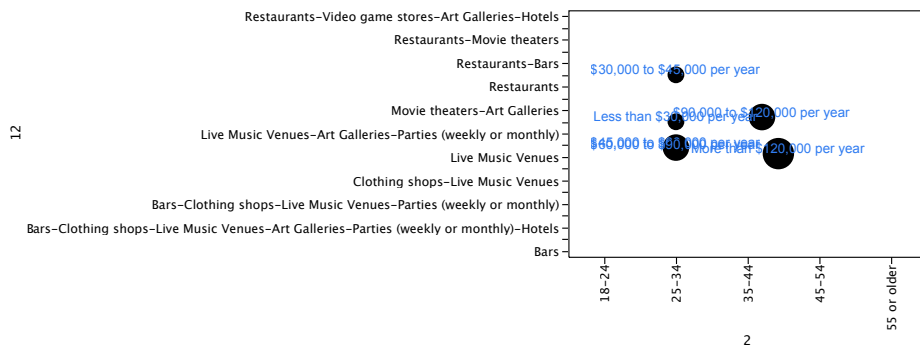
Figure 23. Age and entertainment needs

4.4.4 Age, sex, education and yearly entertainment expenditure

Figure 24. Entertainment expenditure

A 44% of the survey-takers chose the $5,001-$7,500 range as their yearly entertainment expenditure. An interesting fact is that my survey showed equal spending between the ages 25-34 and 35-54, while the "Consumer Expenditure Survey" results of 2000 indicated a visible

difference between these two demographics, with a nationwide average values of $1,485 for ages under 35 and $4,695 for ages between 35-54. This could be explained by the fact that Los Angeles has a young population with higher paying jobs.
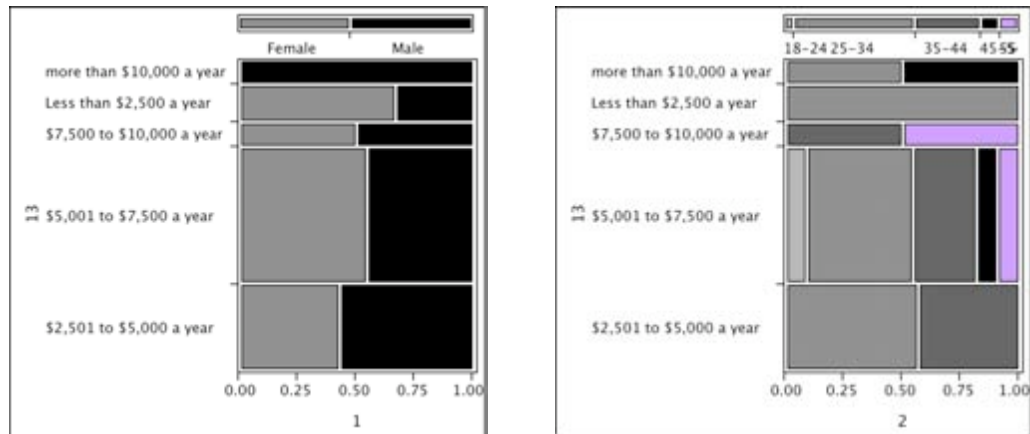
Test	ChiSquare	Prob>ChiSq
Likelihood Ratio	3.307	0.5079
Pearson	2.531	0.6391

Figure 25. Entertainment expenditure, sex and age

The 2008 Affluent Survey found that households making an income of $100,000-$150,000 spend in average $3,599 a year in entertainment, and households with an average income of $150,001 to $200,000 spend $5,076 per annum in entertainment.

As seen on Figure 25, the survey's female population slightly dominated the $5,001-$7,500 range, but also the "Less than $2,500" category in entertainment spending. There's was an even split in the rest of the ranges.
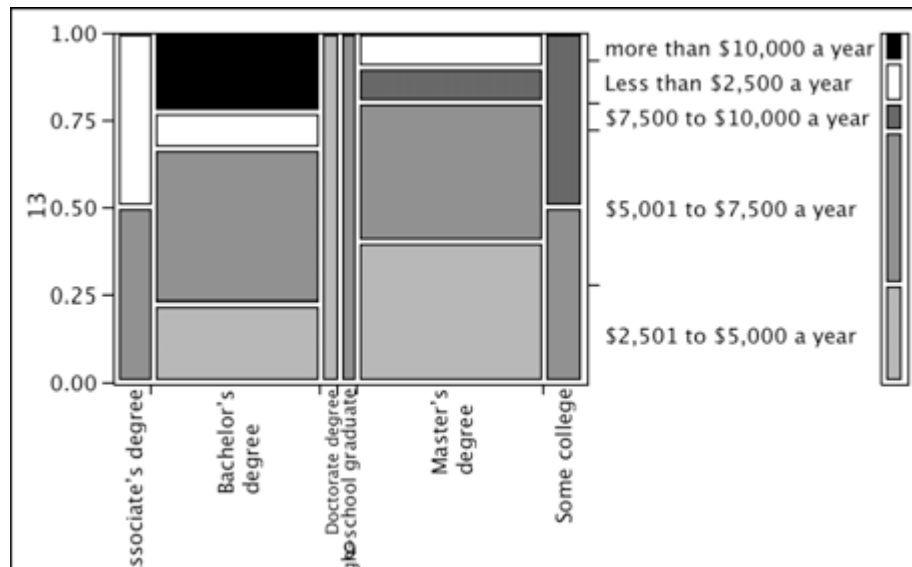
Figure 26. Entertainment expenditure and education level

The "Consumer Expenditure Survey" results of 2000 show a 33% increase of entertainment spending between people with an Associate's Degree and a Bachelor's Degree and then a 21% more spending for people possessing a Graduate Degree. I did not identify this phenomenon when analyzing my survey results.

4.4.5 Brand awareness and brand loyalty

L.A. Overall Brand Loyalty: Gender, age, income, educational level and brand loyalty. (Questions 1,2,7,9,16)

An 80% of the survey-takers chose having some brand favoritism, followed by a 12% choosing definitive brand favoritism. There was no evident trend between age, sex, income and level of education, but this could be a result of the small sample of population.

Level	Count
No, I buy whichever brand is the easiest to find	1
No, I buy whichever brand is the most affordable	1
Somewhat, I have my favorite brands, but if there is a better value, I might buy another brand	20
Yes, I have my favorite brands and I stick to them.	3
Total	25

Table 4. Brand favoritism

Marc Ecko brand awareness, gender, age, income and ecko brand purchase. (Questions 1,2,7,16,21)

A 72% of the respondents had never purchased any of the brands of Marc Ecko Enterprises. This high percentage confirms that Marc Ecko does not target the same demographic that Action Go Now is planning to target. There was no significant relation between sex and age, and Marc Ecko sub-brand awareness and purchase.
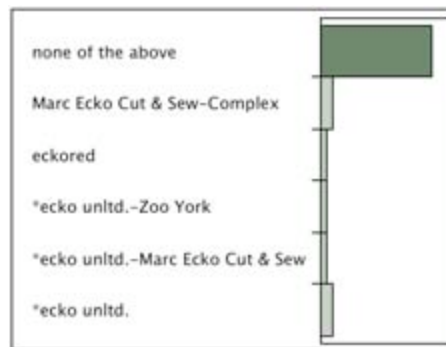
Level	Count	Prob
*ecko unltd.	2	0.08000
*ecko unltd.-Marc Ecko Cut & Sew	1	0.04000
*ecko unltd.-Zoo York	1	0.04000
eckored	1	0.04000
Marc Ecko Cut & Sew-Complex	2	0.08000
none of the above	18	0.72000
Total	25	1.00000

Table 5. Marc Ecko customer purchasing

5. Conclusions and Recommendations

5.1 Conclusions

Building a brand, identifying customers and designing a business around these two elements is no simple task. Strategies can be recommended, systems can be designed, models can be replicated, but each market, each company, each location and time in history, bring unique and close to unpredictable variables. So one might ask: "Why even take the hassle of doing the research and study what other people have done over time, if each situation is so unique?" This would be a very short-minded approach, since the power of studying and knowing what has worked, how it was done, and knowing as many details as possible about the environment, the people, the economics surrounding that event in time, give the current project a huge opportunity of using the already proven strategies, try to avoid the ones that have proven to be failures, and more important of all, allow the new company to choose and grab many elements, combine them, customize them to their specific needs and limitations.

Many companies are afraid to commence operation mostly because of a lack of knowledge, uncertainty and the fear of "what if it goes wrong?" One of the main reasoning behind the design of this study and definitely one of the main purposes was to reduce this fear present in the un-experienced entrepreneur when starting a new venture. Has this study then solved every aspect of branding and customer selection methods for the new entertainment company? Most definitely not. I do not believe there is one piece of literature that can achieve this. This study tried its best, to find, identify and gather relevant primary and secondary data, to get as close as possible to a "solution". It took a practical approach, backed up by theories from marketing, sociology, economics, and simple daily life events, that many times get closer in explaining phenomena that theories and formulas have not been able to explain.

The new entertainment enterprise, where the brand becomes the driving force to validate your product or service, and where the customers are becoming an extension of the company, is not unique to Action Go Now. Hundreds, thousands of small, medium and big size companies exist, struggling to build a brand, find their audience, understand their needs, build loyalty and create a community. I can foresee approaching a time of "community brands". An organic institution that although relies on a leader or a few leaders, its main driving force is getting feedback from its customers, which helps them revise and refine the product or service, truly customizing it to the finest level required. Can big corporations do this constant refinement in a timely and affordable way? Probably not. They are simply too slow to react, not dynamic enough. This study analyzed a small startup company and recommends strategies that are only possible to put into practice by young, high energy, dynamic and relatively small institutions. Is the customer, the audience really that important, one might ask? Yes! Now, more than ever, to succeed, you have to listen to your customers, keep them involved, engage them, customize the product as much as you can, to be able to suit their needs. If you can achieve this, you can be half way through the journey and challenge of creating a "cult brand"; an icon that people are excited about, to the extend of being "in love with", which is a crucial element for their happiness and becomes part of their daily routine.

After hours of research, reviewing literature and listening to people, I cannot omit the fact that the expression, the label "Lifestyle Brand", is starting to get a bad reputation, and purists do not see it as a way of consuming entertainment, and in fact, any product at all. The survey showed and can foresee that the Los Angeles community has a high percentage of "pagans". The challenge then is to convince non-believers consume a product or service, offered by Action Go Now in this case, in a subtle way.

The power of knowing your customer, to the extent of having them be the ones defining your product or service, is what this study truly wishes to communicate. Local surveys, focus groups, socializing and interviews have proven to be extremely effective tools in getting to know your local audience. Marc Ecko's timeline taught the new enterprise to focus locally, to understand the power of co-branding, exercise acquisition to expand demographics, and to validate "shock", outrageous and viral marketing as extremely useful branding and customer building strategies. The other important lesson learned after analyzing Marc Ecko's timeline, is that Action Go Now must start its operation by narrowing its focus, concentrating in one product or service. Once this product an/or service has been deployed and has received customer acceptance, and AGN is able to create at least a brake-even business model, only then should the company move into an umbrella approach and develop brand extensions, first locally and then globally.

5.2 Recommendations

Action Go Now, as many entertainment startup companies, is hungry, energetic, and ready to put 110% of efforts in developing their vision. This study focused mainly on the importance of "the brand" and "the customer". Based on a conservative approach, bearing in mind Action Go Now has a very limited amount of initial investment; outrageous expensive branding and marketing campaigns are pretty much out of the question. The idea is to develop a brand, choose and build a customer base, mostly by relying on human interaction, while taking advantage of fundamental techniques like word-of-mouth (WoM) and digital delivery as a method of getting the messages across.

5.2.1 "Due diligence"

Yes, "du diligence". Action Go Now should start by understanding the market, the community and first and foremost, themselves. Being able to complete the "7 Brand Messages" is a great starting point. Following this, I strongly recommend reading and filling out Bueno's "Cult Branding Workbook" (Bueno, 2007). The theory behind these exercises is simple: How can you choose a customer, design a product and create a following if you do not understand where you are coming from, your dreams, what your core values are, your icons; all crucial elements, that most companies lack. This could easily explain why more than 80% of startups fail. Also, research what type of loans you can get, what type of local government funds are available for your type of venture and what networks you can tap into.

5.2.2 The Young Affluent Segment

The Los Angeles Demographic and Brand Awareness Survey clearly emphasized that an interesting and somewhat new segment dominates Action Go Now's targeted audience. Some call it "New Luxury", but this term brings a specific lifestyle and specific attitudes with it. I favor PRIZM's segmentation term of "Urban Uptown". With 9.5 million US households and a median household income of $65,000, this group is represented by 19% of Los Angeles population with around 600,000 people. I recommend Action Go Now to focus entirely on this local market and conquer it. The characteristics of this segment are individuals that are not driven by price, and have at least one product that has a close-to-zero elasticity, spend heavily on what matters most to them, are usually bombarded with information, but have learned to filter it; they are also skeptical. I see the opportunity for Action Go Now to help these individuals first and foremost with content filtering. AGN

should become a trustworthy place to see and most importantly experience, interact, with different sorts of entertainment that is relevant and unique. The challenge will be to build customer relations and identify their specific needs.

5.2.3 D-D-D

"Define – Design – Deploy (D-D-D)" is what I recommend Action Go Now to put in practice for costumer identification, product and service development, and distribution. Somewhat similar to Bueno's "The Three Dimensions of Customer's Experience", the first "D" of (D-D-D) is to identify the customer. By having AGN choose the "Urban Uptown" segment of Los Angeles, there will still be a need to understand the specific needs of these individuals. I call this a "Brand Preference Profile (BPP)". By knowing which other brands they favor, and by doing focus group studies to deeply understand their needs, motivations, b-values, Action Go Now can take this information to the drawing board and only then start the "Design" face of a product or service.

During "Design" it is fundamental to design a product that is not only based on function, but can also be experienced and felt. It is extremely important to have early adopters, which is a customer basis that can test and give feedback on the preliminary version of the product and service. In the tech industry these are 'beta testers', and they usually do it for free. This is also a great opportunity to create "fans", your allies and most loyal customers.

During "Deploy", all distribution methods and channels must be evaluated. A controlled and selected distribution must be done first (one event, a few stores, a small community) to "validate" the product. Once deployed, it is necessary to have a feedback loop and a proven customer relation management system in place; create a dialogue with

them, not just communicate. Unless this is done, it will later be nearly impossible to innovate. Many companies think that their in-house ideas are relevant, unique and all the market needs. I call it having a high "in-house-ego" factor.

5.2.4 The Golden Rule (B-Different):

Cultivating the B-Values is my recommendation when creating Brand Value and capturing audience. Action Go Now wants and needs to become a "Cult Brand". Customers need to identify an emotional benefit of attending AGN events. This can be achieved by building a full experience, something memorable that triggers many b-values, most importantly: "playfulness", "beauty", "uniqueness" and "perfection". By continuously creating relevant events, AGN could soon become a charismatic brand, which in the eyes of its audience offers experiences that have no substitutes. Only then should AGN consider a brand branching approach and venture into clothing and media. By branching out, AGN would be able to offer a one-stop-shop environment and become an "AVATAR", a brand icon that can move, change and freely adapt to various media (Wheeler, 2006, p.39)

5.2.5 Community Domination

Mobilize community, drive innovation and create social change (Mason, 2008, p.204) Now, more than ever, communities are driving products and brands. Action Go Now must be aware of this, so I recommend them to lead the filtering of relevant content, while educating the audience. It is a simple paradigm of first teaching them how to drive, showing them which road to take, and then letting them take the wheel and drive (take control). After they have learned, AGN should rely on

cultivating relations and letting the audience create a buzz about them; they will seamlessly promote the brand.

5.2.6 Location, location, location

In chapter 1 it was named a "Landmark Strategy". After the findings, the interviews, Marc Ecko's headquarter in NYC appearance and local observational research, it is strongly believed that a company like Action Go Now, needs a visible headquarter, a landmark. It serves as advertisement, but most importantly, it re-enforces brand awareness throughout the local community. It serves as a meeting point, an icon and an event venue. The finding emphasized the need of Live Venues in the City of Los Angeles. My recommendation for AGN is to create a new type of venue, something unique that differentiates them from the House of Blues and The Fillmore franchise. I suggest creating a boutique live venue. As for financials, if purchased, it becomes a fix asset and can become a long-term investment. Leasing a building has lower risk, lower investment and could be a starting point; lease-to-own are also options that should be considered.

5.2.7 The Invisible Brand

Although 80% of the survey respondents answered having some brand favorites, Action Go Now should consider individuals that do not believe entertainment should have a brand behind it as a threat. Many of these people either do not care about brands, or dislike the fact that a "corporation" or a group of people they do not know directly, is telling them what to consume. To convince these non-believers, it is crucial to identify their exact needs, and make the brand stay "under the radar". Once these individuals validate the content, they will look for the brand

and the people behind this memorable experience. Before you know it, through word-of-mouth, they will convince the other non-believers throughout their networks.

5.3 That's a wrap!

Have a motto. Understand yourself and your team. Find a common vision, a mantra. Stay true to your brand values. The audience will identify and react positively to this attitude, appreciate it and mimic it. Be true to what you promise and put your words into action. Let your costumers drive innovation: listen to them!

5.4 Further Study

Further study for this topic is recommended, since there is a constant need to refine branding and customer identification techniques, specifically in the entertainment industry. It is an ongoing, evolving process, but the core values of branding remain the same. Companies need to identify by creating constant dialogue both internally and externally.

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Appendices

APPENDIX A: Research proposal MBA Thesis

Name: Miguel Hadelich

Topic Chosen: New Business Model for the Media Enterprise, the case of "Action Go Now"

Supervisor:
- 1: Marcus Birkenkrahe
- 2: Sven Ripsas

Company Sponsor:

Background ("Story"): SCQA-Framework, other relevant information: key players involved; motivation for thesis…

- Situation: Startup company founded by Nathan Jenkins and Alex Gibson in 2003
- Complication: Strong competition, struggling to find well paying projects
- Question (business decision to be made):
- Is expansion needed to survive?
Is partnering a good way to increase visibility and work load?
How can AGN gain market share?
- (Hypothetical) answer: Design a Business Model that helps companies like Action Go Now have a steady income

Key Objective of Thesis: results to be expected from the completed company project

Specific Research Issues / Key Questions (list up to 5): questions that must be answered in order to take actions / make a decision to achieve the objective outlined above (if possible phased, that a yes/no answer is possible)
1. What's the market?
2. Who are the customers?
3. How can AGN make contact with them?
4. What service should AGN offer?
5. Does AGN need to partner-up/acquire a specialized company?

Proposed Methodology:

1. Literature Review: relevant theories and models based on in-depth literature search

Provide a list of your key readings so far:
1. New Music Strategies - Andrew Dubber
2. The Art Of The Start - Guy Kawasaki
3. Managing Media Companies: Harnessing Creative Value - Annet Aris
4. Hollywood Economics: How extreme uncertainty shapes the film industry - Arthur De Vany

2. Conceptual Framework(s) to structure thesis and analyze data
• Develop a Business Model for smaller to medium size Media Enterprises
• Interview industry experts and read publication related to the topic
• Apply Business Model to AGN and monitor the progress; fine-tune BP if necessary

3. Planned primary and secondary data gathering to answer key questions (Interviews; economic data; survey data…)
• Primary qualitative research conducted by non-standardized questioning, both verbally and written (online)
• In-depth personal interviews and questionnaires
• Secondary research: Market data and papers/articles from various sources (e.g. EBSCO, Box Office Mojo, etc.)

4. Key analysis planned
a. Written and interview data will be analyzed, weighted and compared to previous researched done by others in the past
b. Data will be crucial to define Marketing and Financial Planning. It will also determine the business strategy

Planned Timetable:

Expected significance or contribution of thesis:

1. How does your research build upon or expand the existing literature on the subject? What your company project offers that others have not done?

Creating a business plan that fits all sorts of media production and distribution. Create a solid financial foundation for a startup company to become a Media Enterprise conglomerate.

2. What valuable lessons can the practicing manager or executive draw from your research?

To identify the importance of a solid business plan and to better understand the current situation in the Media Entertainment Industry.

Application for Approval of MBA Master's Thesis
MBA European Management

1. Candidate

Surname, First name   Hadelich, Miguel   Matr. Nr.: 232564..............

Address: Sonnenburger Str. 58A, 10437 Berlin, Deutschland...

Phone +49(0)17675571776   e-mail: miguel@visionear.com............................

2. Name of Supervisor and Institution (e.g.: Prof. Tolksdorf /FHW Berlin)

1:First Supervisor   Marcus Birkenkrahe / FHW Berlin...

2:Second Supervisor   Sven Ripsas / FHW Berlin...

The Master's Thesis topic was agreed upon with the above supervisors.

3. Dissertation Topic:

„Finding New Business Models in the Media Industry – The Case of Action Go Now".......................
....
....
....

_____
Please submit 3 copies for the FHW Degree or 2 for the Joint Degree at the IMB office.
Submission deadline: 15. October

I hereby apply for admission to the Master's thesis examination and ask the above topic to be approved.

May 19. 2008
(Date)   (Signature)

The New Media Entertainment Enterprise

APPENDIX B: Marc Ecko Enterprises (MEE)

Marc Ecko Enterprises Management Team

Marc Ecko

Founder / Chief Creative Officer

From his beginnings in fashion to his recent entries into the worlds of publishing, art, gaming and multimedia, Marc Ecko continues to break the boundaries of conventional wisdom and further solidify his role as the navigator of popular culture.

While others are content to imitate, he chooses to innovate. Marc's goal is not to chase what's already out there, but to establish a whole new category of branded products and services that are immediately embraced as cutting edge and credible.

His journey began in the mid-80's while still a high school student working from a makeshift design studio located in the garage of his parents' New Jersey home. Armed only with an airbrush and his custom graphic designs, Marc quickly built a loyal fan base and in 1993, at the age of 20, founded ecko unltd. Since then, the company has grown to included *ecko unltd. apparel and accessories lines, the contemporary Marc Ecko Cut & Sew collection, ecko red girls line, Zoo York, Avirex Sportswear, Complex Magazine and Complex Media, as well as a videogame and multimedia division, Marc Ecko Entertainment. Last year alone, Marc's full-scale global fashion and lifestyle company reported worldwide retail sales of over $1.5 billion.

Simultaneously, Marc has dedicated himself to a number of social consciousness initiatives, including significant work with youth domestically and internationally and a dedicated role in reversing the plight of the world's rhino populations. Sweat Equity Enterprises, a four-

year after school design education and mentoring program is his most personal initiative to date.

In recognition of his achievements, Marc has been honored with a 2006 MTV Video Music Award for "Best Videogame Soundtrack," and is frequently included in such lists as Details Magazine's "Most Powerful Men Under 40," Stuff Magazine's "Style Icons" list, DNR's power list, and New York Magazine's "Influentials" list. He has also gained international notoriety for his various efforts to disrupt the status quo, from two successful graffiti-based court battles against the city of New York, to the 2006 "Tagging of Air Force One" viral video campaign, and his purchase of Barry Bonds' record breaking 756th homerun baseball, the fate of which he turned over to the public in a groundbreaking online vote.

Marc, age 35, is married with three children and is currently building an estate, "Stronghold," in Bernardsville, New Jersey, where he resides.

Seth Gerszberg
Founder / Chief Executive Officer
Seth Gerszberg, Chief Executive Officer of Marc Ecko Enterprises, is responsible for business development and strategic planning, in addition to directing MEE's marketing and creative services, brand imaging, licensing, international development, and MEE's retail growth strategy. Mr. Gerszberg, along with partners Marc Ecko and Marci Tapper, founded *ecko unltd. in 1993 at the age of 21 while a senior at Yeshiva University.

Gifted with a keen marketing acumen, an insatiable appetite for success, and a cutting edge business model, Mr. Gerszberg took the fledgling t-shirt company and grew it over the ensuing years by riding the crest of an evolving youth lifestyle market. Today, the company, known as Marc

Ecko Enterprises, is a global lifestyle empire that includes apparel, publishing, and entertainment divisions.

Over a decade since its launch, the Company continues to transcend the boundaries of traditional business with interests ranging from *ecko unltd. men's and ecko red juniors apparel; Marc Ecko "Cut & Sew" (a contemporary menswear line); Zoo York (a line of action sports-inspired clothing and accessories); and Avirex (a mid-tier brand). The Company also publishes Complex magazine, a men's consumer magazine with a rate base of 340,000; and Marc Ecko Entertainment, a full-service production company, with a focus on interactive entertainment.

In addition to his corporate commitments, Mr. Gerszberg supports a variety of charities, including personally overseeing and providing funding for Tikva Children's Home, a Ukrainian orphanage dedicated to saving the lives of orphaned, abandoned and abused children of the Odessa, Ukraine, region. Created as part of The Ohr Dessa Project, the Tikva Children's Home receives 100% of all contribution dollars as a result of the support provided by Marc Ecko Enterprises.

Mission

People

We believe in a culture of diversity, collaboration, cooperation and respect.

We believe in leaders who execute, educate, empower and energize.

We believe in people with drive, determination, ethics and loyalty.

Process

We believe in promoting best practices across our organization.

We believe in finding new ways to get things done quickly, effectively, and innovatively.

We believe in constantly refining our processes and critically measuring their success.

Product

We believe in innovative products that are culturally relevant.

We believe a great product can be value-engineered without compromising its design integrity.

We believe that great products succeed because of great design.

Timeline:

Jul 1993: Opens office

Jan 1996: Ecko Launches First Ad

Apr 1996: Ecko Designs for Jurassic Park 2 (Co-branding)

Oct 1996: www.eckoUNLTD.com

Sep 1997: Mr. Magazine names Marc Ecko "One of the 50 Most Fascinating People in Mesnwear."

Sep 1998: 100% increase in sales over previous year

Apr 1999: Marc Ecko branches out into footwear with Marc Ecko Footwear

Aug 1999: *ecko unltd. Introduces its new juniors line, eckored

Sep 1999: *ecko unltd. Designs a line of apparel for Marvel Comics

Dec 1999: *ecko unltd. Becomes the first design house to appear in a video game, Knockout Kings 2000

Feb 2000: Spike Lee produces a short film and runway show for *ecko unltd. At CFDA's Seventh on 6th.

Apr 2000: *ecko unltd. goes global with first shipments to Japan

Sep 2000: *ecko unltd. and Playboy enter into licensing agreement

Feb 2001: Marc Ecko Enterprises acquires Zoo York, the East Coast's leading action sports brand

Apr 2002: Marc Ecko launches Complex magazine

Jun 2002: *ecko unltd. launches Watches by Marc Ecko

Jul 2003: Marc Ecko Enterprises signs deal with rapper 50 Cent to create the G-Unit Clothing Company

Nov 2003: *ecko unltd. introduces a float in the Macy's Thanksgiving Day Parade

Jan 2004: Marc Ecko unveils Marc Ecko "Cut & Sew" a contemporary menswear collection

Apr 2004: eckored adds childrenwear for girls, infants and toddlers

Sep 2004: *ecko unltd. launches "Marc Ecko Footwear" for women

Dec 2004: MEE consolidates operations into its new 275,000 Manhattan headquarters

Jan 2005: Marc Ecko becomes youngest member of Council of Fashion Designers (CFDA)

Mar 2005: Marc Ecko launches Sweat Equity, an after-school design program for underserved teens

Apr 2005: A baby Indian rhino born is named Ecko after rhino champion Marc Ecko

Aug 2005: Marc Ecko wins lawsuit against New York City, generating international press coverage

Dec 2005: Marc Ecko's "Getting Up" wins Best Wireless Category at Spike TV Awards

Jan 2006: Marc Ecko Enterprises acquires Avirex Ltd.

Feb 2006: Release of Marc Ecko's first video game "Getting Up: Contents Under Pressure"

Apr 2006: Video of Marc Ecko "tagging" Air Force One is seen and reported around the world

Jul 2006: *ecko unltd. reinvents the retail landscape with the introduction of eckoTV, becoming the only fashion label to produce its own unique video content

Aug 2006: "Marc Ecko's Getting Up" wins MTV Video Music Award for best videogame soundtrack

Oct 2006: Marc Ecko included in Details magazine's Power 50 lits for the 3rd year in a row, "[surpassing] the rhino audacious, recognizable face of his brand."

Dec 2006: The Company announces the aggressive rollout of its new full priced retail operations, including standalone Marc Eck Cut & Sew, *ecko unltd., Ecko Kids, Zoo York and Avirex stores

Feb 2007: Marc Ecko Enterprises signs a major partnership with the award-winning Human Head Studios to develop an as yet unrevealed title for next generation consoles.

Apr 2007: Marc Ecko announces the Holiday 2007 launch of his new contemporary young women's collection, eckored

May 2007: The first Marc Ecko, Cut & Sew retail store opens in Las Vegas' Fashion Show mall

Jul 2007: Marc Ecko teams with Lucas Films on a special edition, Star Wars themed line of apparel under the Marc Ecko Cut & Sew Label
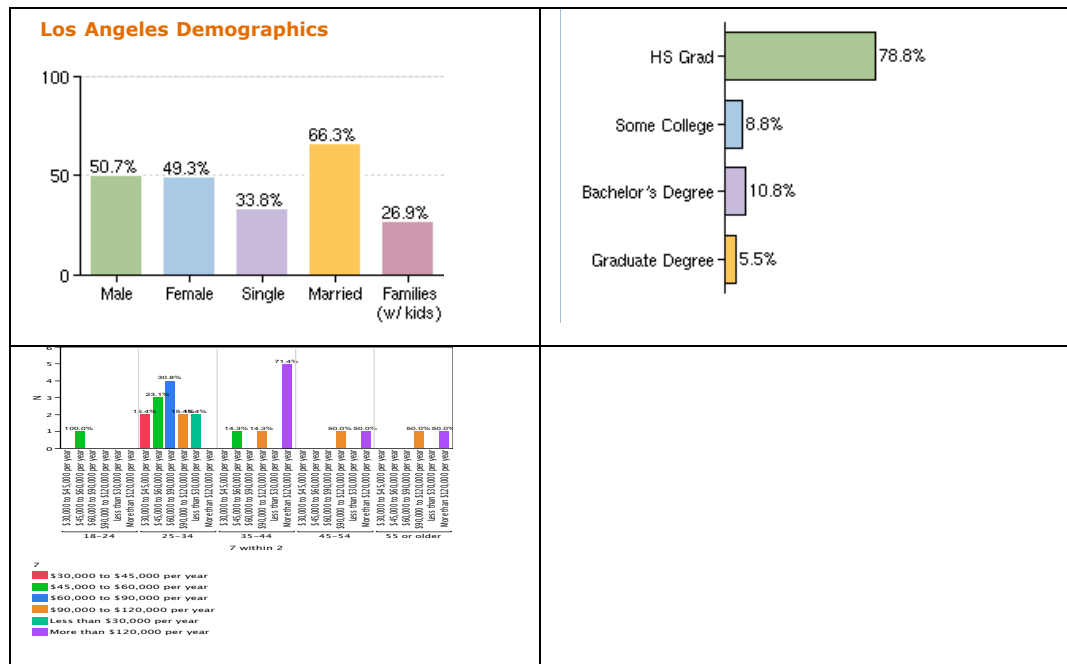
Sep 2007: Marc Ecko gives the public the opportunity to determine the fate of Barry Bonds' 756th homerun baseball

Jun 2008: Marc Ecko launches a new line of jeans called Ecko MFG

Sep 2008: *eckoTV available on VCAST video from Verizon Wireless

APPENDIX C: L.A. Demographics and Brand Awareness Survey

1. What is your gender?
2. What is your age?
3. Please select the zip code range in which you live
4. What is your marital status?
5. How many people live in your household, including yourself?
6. How many of the people in your household are immediate family members (spouse, parent, child)? Do not include yourself.
7. What is your yearly household income?
8. Do you currently rent or own your own home?
9. What is your education level?
10. How would you describe your current employment?
11. How do you spend the majority of your entertainment income (any money you have that is not dedicated to rent/mortgage, utilities, groceries, etc.?) - (Please limit your choice to a top 5 items/activities
12. Do you see a need for more entertainment in your area? (Select all that apply)
13. Approximately, how much money do you spend in entertainment in a year? (This includes all the items listed on question #11)
14. How do you make the majority of your purchases?
15. How do you typically pay for the majority of your purchases?
16. Would you describe yourself as brand loyal?
17. Before this survey, how often have you heard of Mark Ecko Enterprises?
18. How memorable would you rate the logo for Mark Ecko Enterprises (MEE)?
19. What are your general impressions of Mark Ecko Enterprises?
20. Which of the Marc Ecko Enterprises (MEE) sub-brands are you familiar with? (Select all that apply)
21. Have you purchased any of Marc Ecko's products, have you read the magazine or watched the TV channel? (Select all the ones you have purchased, read or accessed)
22. How often do you remember seeing advertising for Marc Ecko Enterprises? (not a specific sub-brand)
23. What do you believe are the core values of Mark Ecko Enterprises?
24. What other brands can you think of that are similar to this brand?
25. If you can remember other brands that are similar to this brand, do you have a preference of one over the other?

Los Angeles Demographics

Male 50.7% | Female 49.3% | Single 33.8% | Married 66.3% | Families (w/ kids) 26.9%

HS Grad 78.8%
Some College 8.8%
Bachelor's Degree 10.8%
Graduate Degree 5.5%

Income chart legend:
- $30,000 to $45,000 per year
- $45,000 to $60,000 per year
- $60,000 to $90,000 per year
- $90,000 to $120,000 per year
- Less than $30,000 per year
- More than $120,000 per year

(Yahoo, 2008)

City Of Los Angeles	2008*		My	2008 vs.
Population	3,834,340		25	0.0000065
Male	50.70%		52.00%	1.30%
Female	49.30%		48.00%	-1.30%
Single	33.70%		68.00%	**34.30%**
Married	66.30%		32.00%	-34.30%
Families w/kids	26.90%		20.84%	-6.06%
Median Age	34		33	-1
Age 18-24	14.53%		4.00%	-10.53%
Age 25-34	16.62%		52.00%	**35.38%**
Age 35-44	15.94%		28.00%	12.06%
Age 45-54	12.07%		8.00%	-4.07%
Age 55 and older	17.05%		8.00%	-9.05%
High School Grad	78.80%		0.00%	-78.80%
Some College	8.80%		8.00%	-0.80%
Bachelor's Degree	10.80%		36.00%	25.20%
Graduate Degree	5.50%		44.00%	**38.50%**

Income				
Less than $30,000	42.49%		8.00%	**-34.49%**
$30,000 - $44,999	16.07%		20.00%	3.93%
$45,000 - $59,999	17.13%		16.00%	-1.13%
$60,000 - $89,999	26.43%		20.00%	-6.43%
$90,000 - $119,999	8.18%		8.00%	-0.18%
Over $120,000	6.90%		28.00%	**21.10%**
Median Household	$42,529		$83,620	**$41,091**
Avg Household Size	2.83		1.96	-0.87
Avg Family Size	3.56		1.37	-2.19

*Source: US Census and Yahoo Neighborhood Info

Claritas PRIZM Segmentation

01   Urban Uptown

The five segments in Urban Uptown are home to the nation's wealthiest urban consumers. Members of this social group tend to be affluent to middle class, college educated and ethnically diverse, with above-average concentrations of Asian and Hispanic Americans. Although this group is diverse in terms of housing styles and family sizes, residents share an upscale urban perspective that's reflected in their marketplace choices. Urban Uptown consumers tend to frequent the arts, shop at exclusive retailers, drive luxury imports, travel abroad and spend heavily on computer and wireless technology.

2007 Statistics:

US Households: 9,449,783Median HH Income: $63,618

Segments in this group are:

04 Young Digerati

07 Money & Brains

16 Bohemian Mix

26 The Cosmopolitans

29 American Dreams

02 Young Achievers

Young, hip singles are the prime residents of Young Achievers, a lifestage group of twentysomethings who've recently settled in metro neighborhoods. Their incomes range from working-class to well-to-do, but most residents are still renting apartments in cities or close-in suburbs. These seven segments contain a high percentage of Asian singles, and there's a decidedly progressive sensibility in their tastes as reflected in the group's liberal politics, alternative music and lively nightlife. Mainstream Singles segments are twice as likely as the general population to include college students living in group quarters.

2007 Statistics:

US Households: 11,239,403

Median HH Income: $49,168

Segments in this group are:

    04 Young Digerati

    16 Bohemian Mix

    22 Young Influentials

    23 Greenbelt Sports

    24 Up-and-Comers

    31 Urban Achievers

    35 Boomtown Singles

LifeMatrix Segmentation

<http://www.mediamark.com/PDF/MRI_Psychographic_Sourcebook_10
08.pdf>

"LifeMatrix was designed by MRI's sister company, GfK NOP, to help place consumers in the context of their life stage, lifestyle and their personal values. Ten segments have been developed.

• Tribe Wired are digital, free-spirited, creative young singles who are pursuing entertainment and adventure to complement their lifestyles; they are motivated by learning and seek out new and unique experiences

• Fun/Atics value having a good time, and live an active, free-spirited lifestyle; they tend to be aspirational and likely to be students or young singles starting out in their careers

• Dynamic Duos are well-positioned, hard-driving, high involvement couples with tremendous opportunities, both personally and professionally; they are leaders in defining the digitally-connected household lifestyle

• Priority Parents tend to be driven by traditional family values and consider themselves responsible parents and care-givers; they are motivated by a desire for intimacy, stability and a sense of belonging

• Home Soldiers are home-centric and family-oriented—busy with family and work, they do not participate in many personal leisure activities

• Renaissance Women balance work, family and a myriad of cultural and educational activities; they maintain an optimistic outlook on life and are active, caring, affluent, influential moms

• Rugged Traditionalists value "manly" things such as the outdoors, nature and automobiles

• Struggling Singles are characterized by continuous struggling, as a result of lower socioeconomic status with relatively little control over external events; they have values that represent aspirations to what they would like, yet do not have in their lives; they tend to be unmarried, but have children

• Settled Elders are devout, older individuals who value faith, duty and tradition above other human aspirations; they lead sedentary and home-centric lifestyles and worry about healthcare

• Free Birds are healthy, confident, energetic empty-nesters with a wide range of activities and interests; altruistic and creative seniors who spend their time with friends"

APPENDIX D: 7 Brand Message selected survey results (selected)

1. Please give us your information

Name: - Karina Barrionuevo

Company: - The Bravo Group

Address: - 1207 Chestnut St

Address 2: - apt 5

City/Town: - San Francisco

State: - CA

ZIP/Postal Code: - 94109

Country: - USA

Email Address: - karina.ba@gmail.com

Phone Number: - 4152387702

2. How did your company start?

I do not own the company, I work at an ad agency that started doing business

in the bay area as a consequence of getting new accounts. The company's

Headquarters is in NY and it's been present in the bay area for over 10 years.

3. What's your "mantra"?

"Clean" because of the cleaning power of |Chevron with techron.

"Friendly and engaging" linked to a lifestyle and how it translate to the "world of cars"

4. What is (are) the brand icon(s)?

toy cars and the Chevron logo (red and blue in two crossed ribbons shape)

5. Describe how your product or service is a ritual for your users.

when they stop at a gas station and in front of the station there is another one

(competitor) but chooses brand over the price, because Chevron "gives you more" :

gives you convenience to pay at the pump with no problems; clean stations; friendly

staff...

6. Who are the non-believers?

the ones that choose price over premium brand -top tier gasoline. The ones that put

different brand of gasoline to their cars and don't believe in taking care of the engine.

7. What are the "sacred words" or lingo in your industry?

clean friendly engaging unsurpassed

8. Who is your leader?

Chevron

1. Please give us your information	92

Name: - Gene Radzik

Company: - Dolby Laboratories

Address: - 100 Potrero Avenue

City/Town: - San Francisco

State: - CA

ZIP/Postal Code: - 94103

Country: - USA

Email Address: - eer@dolby.com

Phone Number: - 415 558-0200

2. How did your company start?

Founded by Ray Dolby in 1965

3. What's your "mantra"?

Global leader in technologies essential to the best entertainment experience.

4. What is (are) the brand icon(s)?

Double D

5. Describe how your product or service is a ritual for your users.

Millions of cassette players in cars, millions of DVD players, millions of iPods, millions of flat screen televisions

6. Who are the non-believers?

Users of sub-standard entertainment technology

7. What are the "sacred words" or lingo in your industry?

Essential entertainment technologies

8. Who is your leader?

Ray Dolby

1. Please give us your information

Name: - Rich Alossi

Company: - angelenic.com

City/Town: - Los Angeles

State: - CA

ZIP/Postal Code: - 90014

Country: - USA

Email Address: - alossix@gmail.com

2. How did your company start?

I started angelenic as a way to get information out to the community.

Start-up costs were extremely low; the main investment is time and effort.

3. What's your "mantra"?

Get the word out about the everyday occurrences in our changing neighborhoods – r
etail, restaurants, nightlife, culture -- creating a sense of community for Downtown
LA residents.

4. What is (are) the brand icon(s)?

We use the Downtown LA skyline to great effect. It's obvious what our coverage is
just by viewing our header image.

5. Describe how your product or service is a ritual for your users.

Many readers visit our site multiple times per day to stay up-to-date with our multiple
news stories daily. We offer updates via email, RSS and via the web in a blog
format, with high-quality photos, imagery and writing.

6. Who are the non-believers?

Business owners who have no time to read our site and see what we're about are
sometimes skeptical when they hear the word "blog." As such, we are now referring
to ourselves as a "community news site." It takes some convincing, but most of the
time we can get a good story out of them. It's to their benefit for the community to
know what's coming, and we love nothing more than to break a story of a new
establishment coming to Downtown.

7. What are the "sacred words" or lingo in your industry?

"Breaking news." "Revitalization."

8. Who is your leader?

Angelenic is a partnership between my associate Stephen Friday and myself.

1. Please give us your information

Name: - Allister Fein

Company: - McGraw-Hill

Address: - 160 Spear Street, Suite 700

City/Town: - San Francisco

State: - CA

ZIP/Postal Code: - 94105

Country: - USA

Email Address: - allister_fein@mcgraw-hill.com

Phone Number: - 415-568-1556

2. How did your company start?

A teacher, who bought a publishing company and an editor for a trade book company both

established their own publishing houses and then merged shortly after.

3. What's your "mantra"?

Design smart, appealing and timely books.

4. What is (are) the brand icon(s)?

A red square with the name dropped out and stacked inside.

5. Describe how your product or service is a ritual for your users.

Much of the ritual aspect is the new semester and school year,

where students are encouraged to purchase the latest editions instead of buying the

books used. Requirements are dictated by the professors who often publish books

for their classes.

6. Who are the non-believers?

Students who won't pay for new book, and borrow, photocopy or get by with a

previous book edition. Web publishers that are trying to create a free book culture.

7. What are the "sacred words" or lingo in your industry?

Established, dependable, standard, historical.

8. Who is your leader?

The corporation is big yet Terry McGraw (related to one of the founders James H.

McGraw) actually makes an effort to meet each and every employee (yes, we've met

and he wanted to know what books I was working on.)

1. Please give us your information

Name: - Marc Ecko

Company: - Marc Ecko Enterprises

Address: -

City/Town: - New York

State: - NY

ZIP/Postal Code: -

Country: - USA

Email Address: - info@maceckoenterprises.com

Phone Number: -

2. How did your company start?

His journey began in the mid-80's while still a high school student working from a makeshift design studio located in the garage of his parents' New Jersey home. Armed only with an airbrush and his custom graphic designs, Marc quickly built a loyal fan base and in 1993, at the age of 20, founded ecko unltd. (marceckoenterprises.com)

3. What's your "mantra"?

People, process and product.

4. What is (are) the brand icon(s)?

5. Describe how your product or service is a ritual for your users.

Fashion Shows, Spotting trendy wear on celebs in paparazzi shots and in music videos, trying on clothes at the mall.

6. Who are the non-believers?

"Suits", the stuffy conformists

7. What are the "sacred words" or lingo in your industry?

Ecko, Rhino, Hip-Hop, graffiti, t-shirts, celebrities, paparazzi, music videos, fashion.

8. Who is your leader?