Brand Development Services
The Rosetta Stone Case Study

CONFIDENTIALITY AGREEMENT

This confidential document has been prepared to provide potential 919 Marketing clients with a more detailed profile of proposed marketing programs, and specifically how the 919 Brand Development Process can be integrated into prospective companies.

Subject to your acceptance and agreement you are hereby authorized to use such information under the following terms and conditions.

By reviewing you agree that the contents of this document shall be kept confidential and used only for evaluating 919 Marketing as a potential marketing partner, and that you will not share or disclose the enclosed information to any other party unless approved by 919 Marketing.

You also agree not to directly or indirectly contact the client without the written consent of 919 Marketing.

COMPANY PROFILE:

Fairfield Language Technologies:

The company was launched in the mid '90's around a revolutionary computer-based language-learning product. Now it's a multi-million dollar business with more than 100 employees and in excess of 26 products sold around the world.

The company's Rosetta Stone product line competes in the high growth language learning marketplace against other self paced language learning software products and traditional providers of textbook based language instruction.

Surprising as it may sound, the management team grew the business organically without a written business plan. They did it without knowing their market share, conducting market research, setting departmental budgets with P&L responsibilities, or even concrete sales forecasts based on market realities.
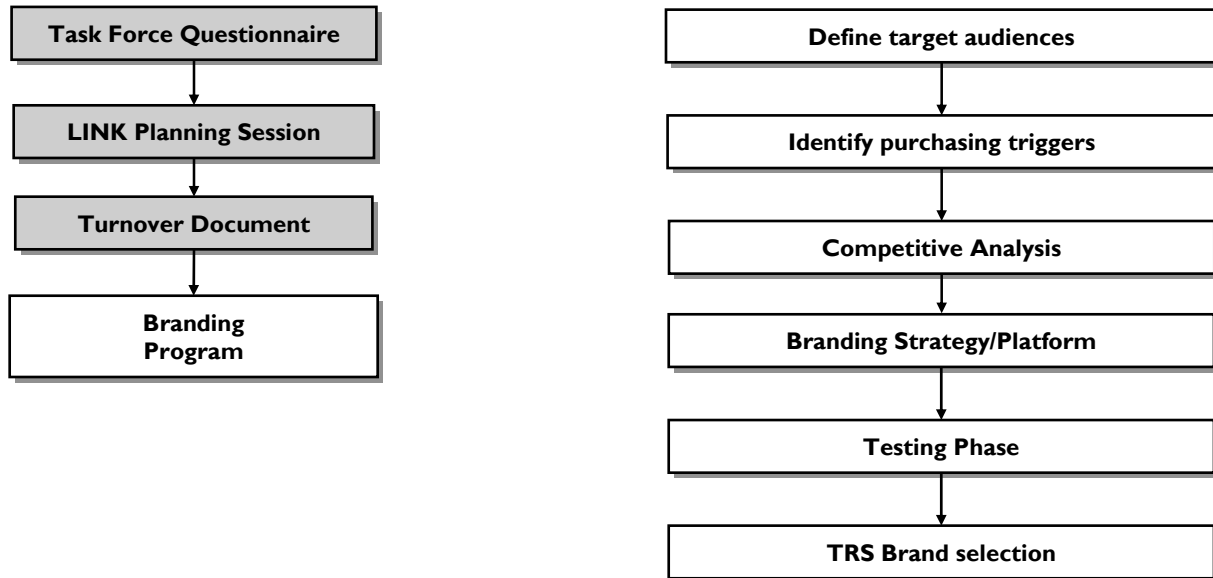
Meanwhile, the company's (and the market's) growth caught the attention of analysts and the investment community. The VC community pumped more than $1 billion into the market, acquiring and funding competitors' on a global basis. As a result, FLT faced well-heeled competitors with the marketing and technology resources to raise the stakes to a new level.

What happened? The company so focused on building a successful small business that it failed to develop a systematic, focused business approach designed to reconcile their objectives and resources with changing marketplace opportunities.

Brand Development Program:

919 Marketing was engaged to design and implement a global cross channel brand development program. The task force included four key staff members representing each business line and senior management.

TRS BRAND DEVELOPMENT: OVERVIEW

Task Force Questionnaire

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LINK Planning Session

↓

Turnover Document

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Branding Program

Define target audiences

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Identify purchasing triggers

↓

Competitive Analysis

↓

Branding Strategy/Platform

↓

Testing Phase

↓

TRS Brand selection

Target Audience Definition:
Identification of ALL purchasers and influencers across all five business lines.

Identify Purchasing Triggers:
A comprehensive, insightful breakdown of rational and emotional underpinnings.

Competitive Audit / Gap Analysis:
Comprehensive audit of competitive positioning strategies, corporate identity programs, brand attributes, etc. Determined ownable, compelling positioning alternatives for TRS.

Brand Strategy Decision:
Task force selection of three branding platforms to test with key target audiences (teachers, consumers, corporate audiences, etc).

Brand Research:
A.) Word Association
What connotations do the name and positioning line elicit?
B.) Attribute Ranking
Rating Companies based on name and perceived product attributes
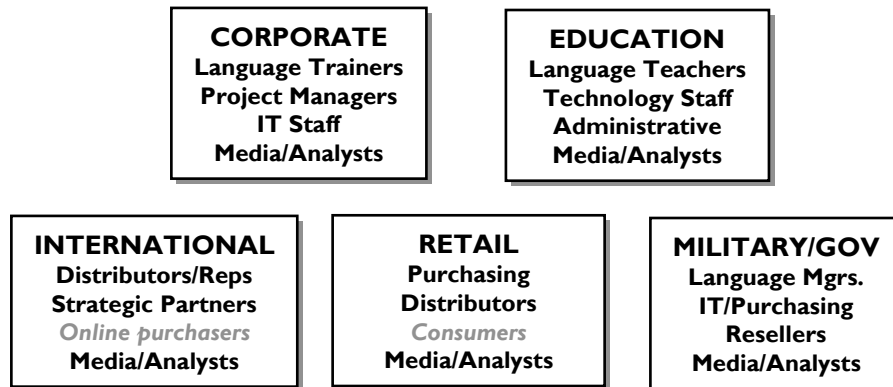**C.) Preference Scores**

TRS Brand Selection:
Consistent, measurable marketing programs to seed the brand in the marketplace.

✓TRS corporate identity program, graphic standards manual
✓Public Relations activities
✓Direct marketing (direct mail, viral marketing, trade show programs, etc.)
✓Packaging, sales support materials, retail promotions
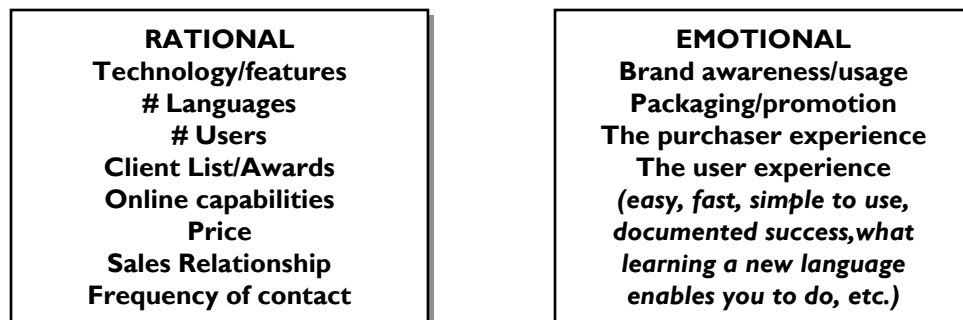✓Website navigation, content, graphics and more

TRS BRAND DEVELOPMENT

Target Audiences:

The actual student/end user is usually not the purchaser of our product.

CORPORATE
Language Trainers
Project Managers
IT Staff
Media/Analysts

EDUCATION
Language Teachers
Technology Staff
Administrative
Media/Analysts

INTERNATIONAL
Distributors/Reps
Strategic Partners
Online purchasers
Media/Analysts

RETAIL
Purchasing
Distributors
Consumers
Media/Analysts

MILITARY/GOV
Language Mgrs.
IT/Purchasing
Resellers
Media/Analysts

Purchasing Triggers:

The rational and emotional purchasing dynamics were isolated.

RATIONAL
Technology/features
 # Languages
 # Users
Client List/Awards
Online capabilities
Price
Sales Relationship
Frequency of contact

EMOTIONAL
Brand awareness/usage
Packaging/promotion
The purchaser experience
The user experience
(easy, fast, simple to use,
documented success,what
learning a new language
enables you to do, etc.)

TRS BRAND DEVELOPMENT

Competitive Analysis:

Competitive Positioning:

Auralog
Innovation for language learning.

Ellis
Changing the way the world learns English.

Encarta
The largest consumer software company in the world.

Englishtown.com
Talk to the world.

English Discoveries
The leading ESL/EFL software in the world.

Instant Immersion
The Instant Immersion™ series simulates these aspects with interactive lessons that truly immerse the listener into the language and is guaranteed to be the best method for learning to speak better English quickly.

Pearson
*More people learn English as a second language with our programs
than any other publisher.*

Syracuse Language:
Award-winning software for learning languages

The Learning Company
For Greater Knowledge. The largest education software publisher in the world.
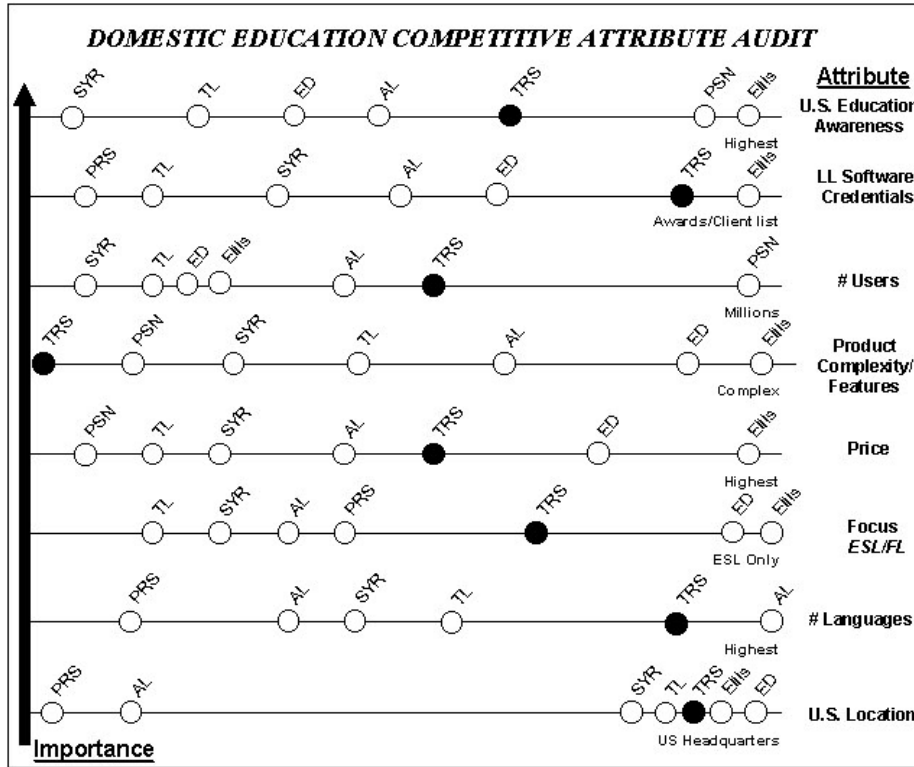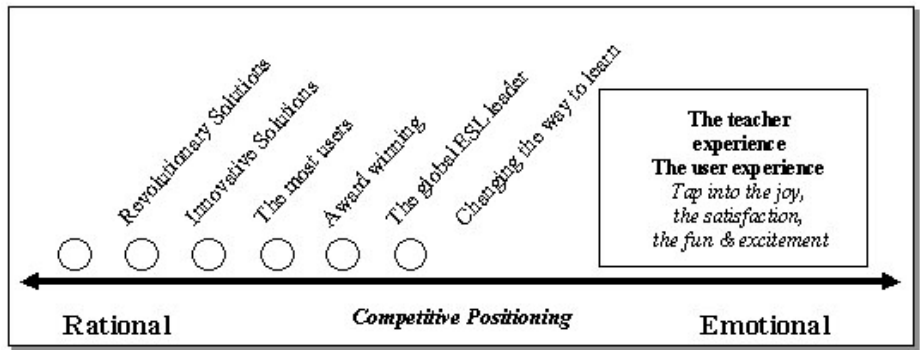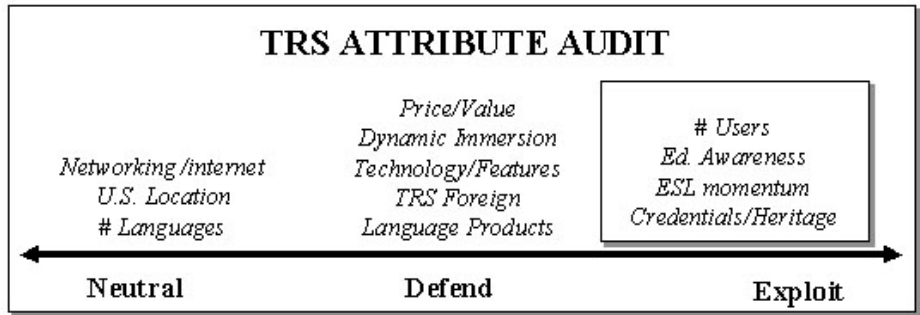
Transparent
The top rated language learning method

TRS BRAND DEVELOPMENT

Competitive Attribute Audits:
Conducted across all five business lines looking for consistent "white space".

DOMESTIC EDUCATION COMPETITIVE ATTRIBUTE AUDIT

Attribute

SYR ● TL ● ED ● AL ● **TRS** ● PSN Ellis	**U.S. Education Awareness** — Highest
PRS ● TL ● SYR ● AL ● ED ● **TRS** Ellis	**LL Software Credentials** — Awards/Client list
SYR ● TL ED Ellis ● AL ● **TRS** ● PSN	**# Users** — Millions
TRS ● PSN ● SYR ● TL ● AL ● ED Ellis	**Product Complexity/ Features** — Complex
PSN ● TL ● SYR ● AL ● **TRS** ● ED Ellis	**Price** — Highest
TL ● SYR ● AL ● PRS ● **TRS** ● ED Ellis	**Focus ESL/FL** — ESL Only
PRS ● AL ● SYR ● TL ● **TRS** ● AL	**# Languages** — Highest
PRS ● AL ● SYR TL **TRS** Ellis ED	**U.S. Location** — US Headquarters

Importance

AL: Auralog **ED:** English Discoveries **ELLIS:** Ellis **PRS:** Pearson **SYR:** Syracuse **TL:** Transparent **TRS**

TRS ATTRIBUTE AUDIT

Neutral	Defend	Exploit
Networking/internet U.S. Location # Languages	Price/Value Dynamic Immersion Technology/Features TRS Foreign Language Products	# Users Ed. Awareness ESL momentum Credentials/Heritage

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Revolutionary Solutions — Innovative Solutions — The most users — Award winning — The global ESL leader — Changing the way to learn

The teacher experience
The user experience
Tap into the joy, the satisfaction, the fun & excitement

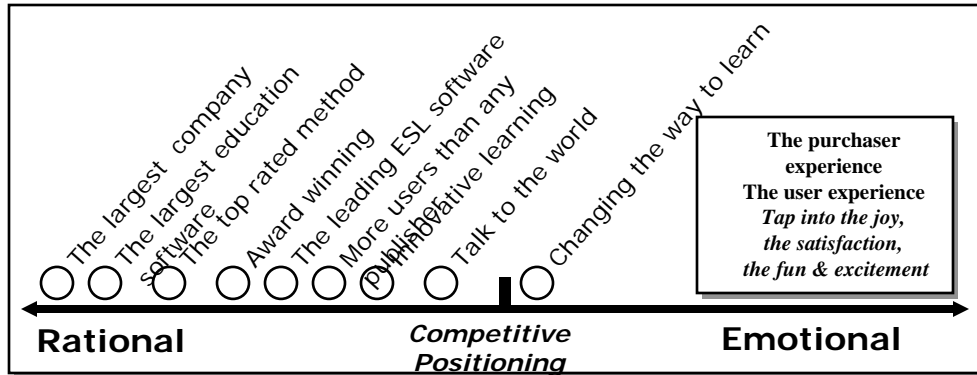| Rational	Competitive Positioning	Emotional

TRS BRAND DEVELOPMENT

The Positioning Gap:

Tap tap into the feelings of the target audiences about themselves, learning a new language, the role of software products in their life versus the chest beating claims of the competition.

TRS positioning must match the inherent and unique benefits or advantages of TRS to the characteristics and needs/wants of the target audiences.

The largest company
The largest education software
The top rated method
Award winning
The leading ESL software
More users than any publisher
Collaborative learning
Talk to the world
Changing the way to learn

The purchaser experience
The user experience
Tap into the joy, the satisfaction, the fun & excitement

Rational

Competitive Positioning

Emotional

TRS Positioning Triggers:

TRS POSITIONING TRIGGERS:

Simple breakthrough process…*infers easier and faster*

Successful learning experience…*you'll enjoy the ride*

Four million people worldwide *…safe, smart decision*

Student up versus technology down…*friendly user orientation*

TRS BRAND DEVELOPMENT

Positioning Exploratory:

Three positioning statements were selected by the Task Force for research:

The Rosetta Stone.
So easy, you can't stop learning.

The Rosetta Stone.
We simplify learning a new language.

The Rosetta Stone.
Easy to use. Simple to learn.

The Rosetta Stone.
Language Learning. Pure & simple.

The Rosetta Stone.
Point. Click. Learn.

The Rosetta Stone.
The simple solution that has the world talking.

The Rosetta Stone.
It simply works.

The Rosetta Stone.
Trust your instincts.

TRS BRAND DEVELOPMENT

Consumer Research:

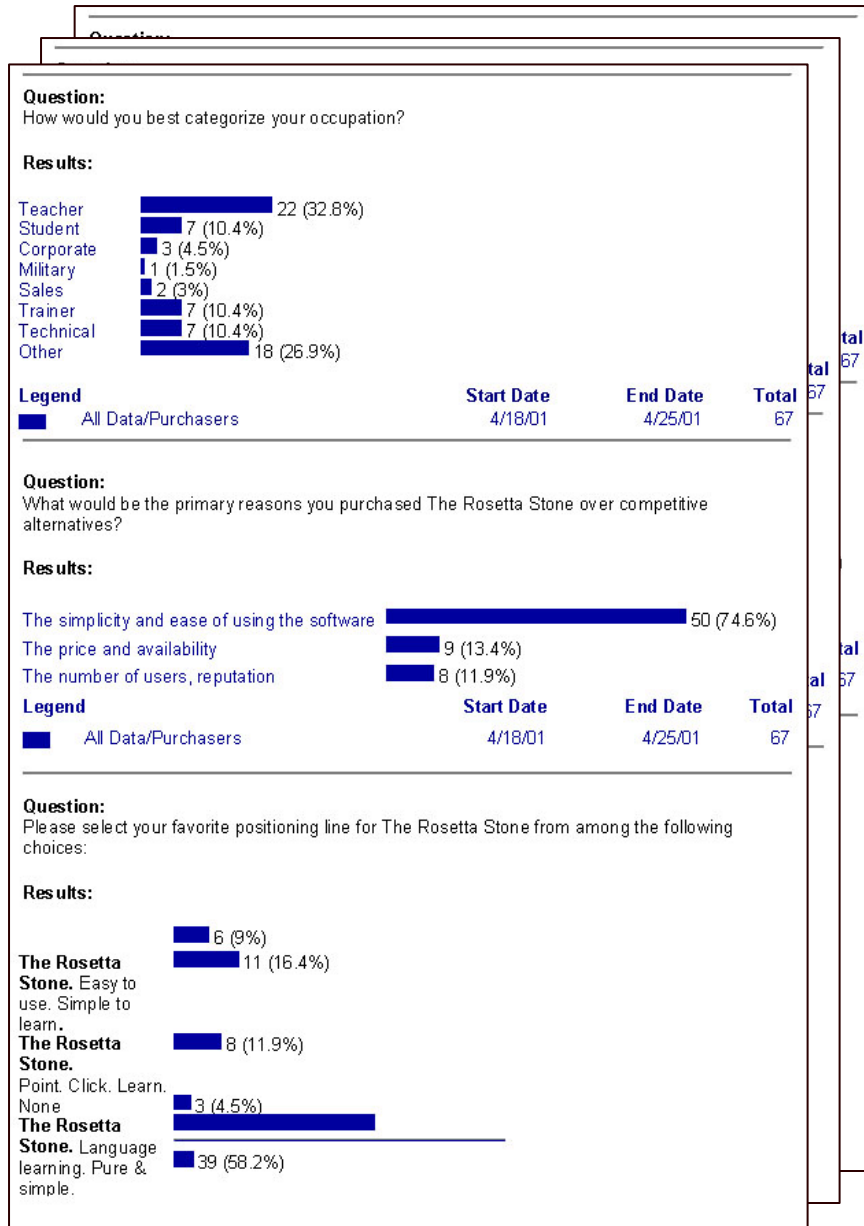**67 respondents (purchasers, teachers, trainers, end users)**

A.)Word Association
 What connotations do the name and positioning line elicit?
B.) Attribute Ranking
 Rating Companies based on name and perceived product attributes
C.) Preference Scores

Question:
How would you best categorize your occupation?

Results:

Teacher — 22 (32.8%)
Student — 7 (10.4%)
Corporate — 3 (4.5%)
Military — 1 (1.5%)
Sales — 2 (3%)
Trainer — 7 (10.4%)
Technical — 7 (10.4%)
Other — 18 (26.9%)

Legend		Start Date	End Date	Total
▮	All Data/Purchasers	4/18/01	4/25/01	67

Question:
What would be the primary reasons you purchased The Rosetta Stone over competitive alternatives?

Results:

The simplicity and ease of using the software — 50 (74.6%)
The price and availability — 9 (13.4%)
The number of users, reputation — 8 (11.9%)

Legend		Start Date	End Date	Total
▮	All Data/Purchasers	4/18/01	4/25/01	67

Question:
Please select your favorite positioning line for The Rosetta Stone from among the following choices:

Results:

— 6 (9%)
The Rosetta Stone. Easy to use. Simple to learn. — 11 (16.4%)
The Rosetta Stone. Point. Click. Learn. — 8 (11.9%)
None — 3 (4.5%)
The Rosetta Stone. Language learning. Pure & simple. — 39 (58.2%)

RECOMMENDED TRS POSITIONING STATEMENT:

The Rosetta Stone.
Language learning.Pure and simple.

Around 200 BC several priests inscribed a decree in three languages on what is now known as the Rosetta Stone.

Fourteen hundred years later, scholars used this simple, yet powerful stone tablet to learn the sounds of the Egyptian language. This breakthrough led to the modern understanding of ancient Egyptian language and culture.

Like its namesake, The Rosetta Stone Software ™ has enabled over four million people worldwide to quickly learn a new language in the classroom, at work and at home using our breakthrough "dynamic immersion" method.

TRS Dynamic Immersion™ mirrors the way language is learned as a child, interactively matching real life images with words and phrases delivered by native speakers, thus driving the learning deeper than other language learning methods.

We passionately believe that the best way to create a powerful learning environment is to simplify the learning process.   This is in stark contrast to the current trend toward complicated, over-engineered language learning software products that lead with technology features and intellectual theory.

The sound of learning – the buzz of excited kids in a classroom, the confidence to communicate in a foreign country – is the heart and soul of The Rosetta Stone.
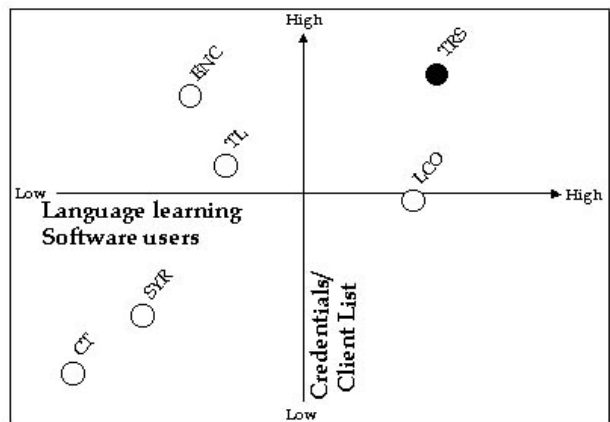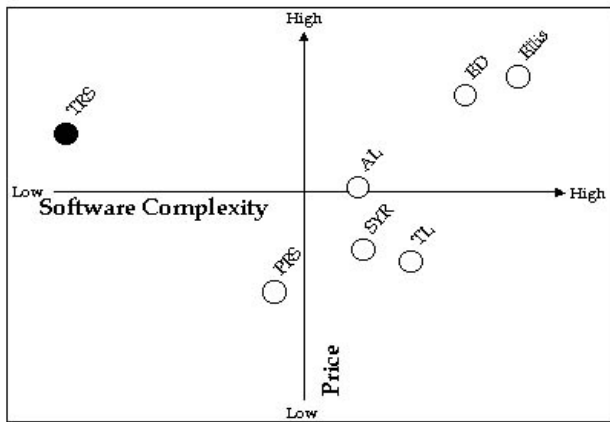
TRS BRAND DEVELOPMENT

MEMORANDUM

TO: **Design Team**
FROM: **David Chapman**
RE: **Turnover Document To Design Team**

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<u>Sections:</u>
I.   Assignment
II.   Brand Message
III.   Working positioning lines
IV.   Strategy
V.   Rationale
VI.   Business Lines/Target audiences
VII.   Competitive Positioning Lines
VIII.   Brand communication tools
IX.   Testimonials

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<u>I. ASSIGNMENT</u>
Create an ownable, compelling and overarching brand positioning for the Rosetta Stone that works corporately and across all business lines, communicates what the product does and why you should consider it above others. It must speak to the user experience and the simplicity of the learning process.

Your assignment is to develop an identity program that covers the following

1.) Overall TRS Company (corporate use)
     Business Line Derivatives:
2.) Domestic Education (K-12)
3.) Corporate Market
4.) Retail Consumer (brick and mortar/online)
5.) Government/Military Market
6.) Resellers/Strategic Partners

Those selected will be evaluated versus competitive efforts via primary research.

TRS BRAND DEVELOPMENT

Corporate Identity/Marketing Rollout:

The strategy involves having a consistent, overarching branding registration, yet provides individuality for each business line via icons that speak directly to each target audience.

- New logo, corporate identity program
- New sales materials
- Website
- Public Relations
- Trade show program
- Packaging
- Advertising

TRS BRAND DEVELOPMENT

What will an effective branding program do for your company?

919 Marketing brand creation/ brand enrichment programs position your products and services as being the best at delivering what your customers want.

Many companies think of branding as merely the "skin" that covers your brochures, website, packaging, advertising and direct marketing materials.

We realize that effective, sustainable branding programs must go deeper to also convey the "soul" of the product or service (the user experience, service quality, company culture and all consumer touch points).

Combining the "skin and the soul" into one cohesive delivery translates into a powerful, seamless brand experience that stands out in the mind of the customer.

919 Marketing brand creation/brand enrichment programs get to the heart of what makes a company successful - building the perception in the marketplace that you are better than anyone else at delivering what your customers want.

We have the experience, the vision and understanding required to create branding systems for new companies and products and companies or products that need to re-energized.

Client Comments:

"We believe 919's marketing approach is a sound response to what we confront in our work. It differentiates our product, it is easy to own, it is adaptable to different markets and to different sales propositions, and first and foremost it gets a warm reception from buyers."
VP Sales The Rosetta Stone

"I cannot tell you how excited I am about the direction you are taking the Company. If we were to end this project now I would recommend you without question. The insight and vision into branding our services give me a sense of impending success."
COB Ledgers Worldwide