



# Branding – 25 years of learning in 25 minutes

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6<sup>th</sup> September 2016

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The logo for CONCERT features a stylized orange and brown graphic on the left that resembles a curved arrow or a musical note. To its right, the word "CONCERT" is written in a bold, blue, sans-serif font, followed by a trademark symbol (TM).

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Brand

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The Bond with  
your customer

Your  
Brand

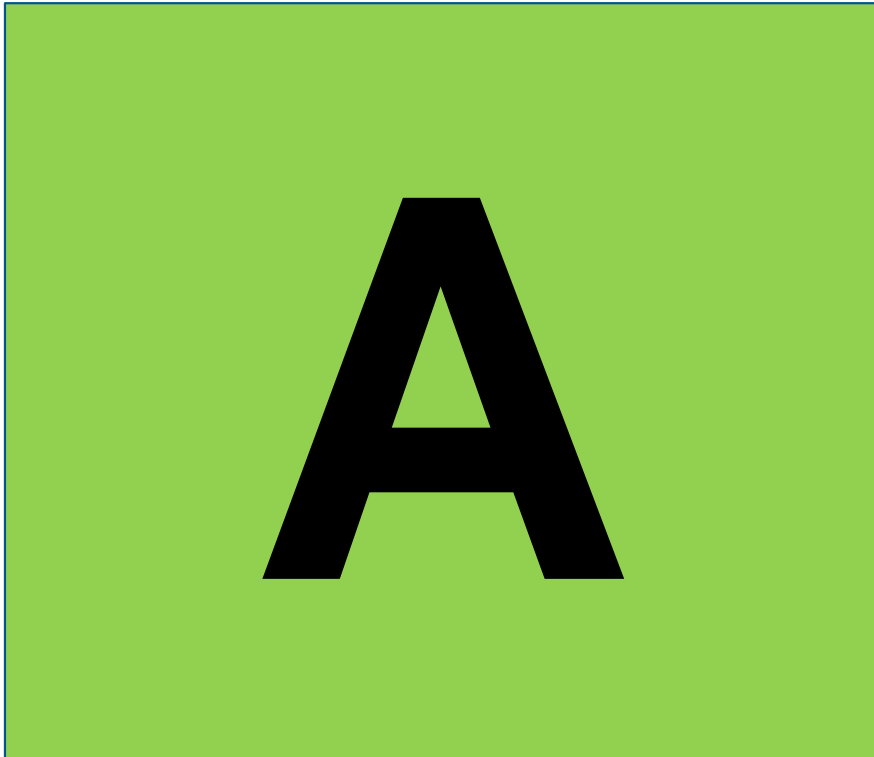
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A promissory note  
to your customer

Buy from me, I promise to deliver to you...

# Brands are more about revenue than design

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# Origins of brand

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- One source dates branding to 13<sup>th</sup> Century Italy armour
- Some armourers made good quality, heavy duty battle armour and some made inferior copies
- No law of Copyright
- Law against impersonation
- Armour was branded so that knights could distinguish between armourers even when two pieces of armour looked the same



# The armourer branded the finished armour

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# “My brand is the mark of my reputation”



1965 to Date		Years*
Robert H. Bean		1967 to date
Geoffrey T. Blake		1971 to date
Fletcher S. Carter (Holloware only)		1965-1973
Chester A. Dow		1965-1977
George F. Gillman		1978 to date
James F. Harvey		1965 to date
John A. Karambelas		1977 to 1980
Henry W. Kruschwitz		1965-1973
Robert H. Lapham		1965 to date
Gayden F. Marshall		1965-1968
Daniel S. Morrill		1965-1980
Danny C. Rogers		1969 to date
Roger R. Rowell		1965 to date
Reynolds F. Senior		1965-1973
George R. Woundy		1965 to date

\*Years in which personal signature mark was used.

# Branding drives revenue

- Branding
  - draws customers to find you (to look for your brand)
  - allows people to recommend you
- One tech VC said he especially valued branding because

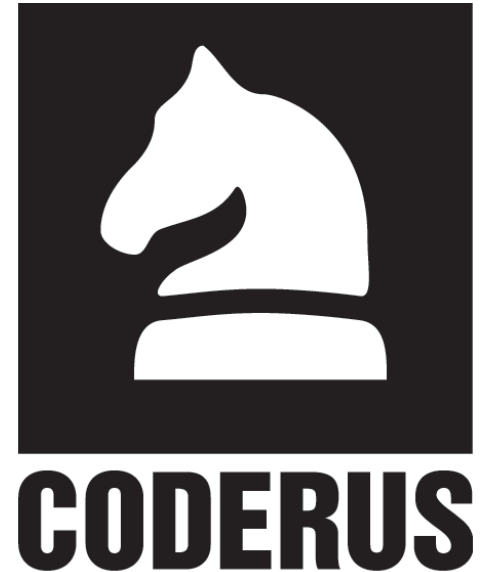
**“It opens the jaws of the sales pipeline”**





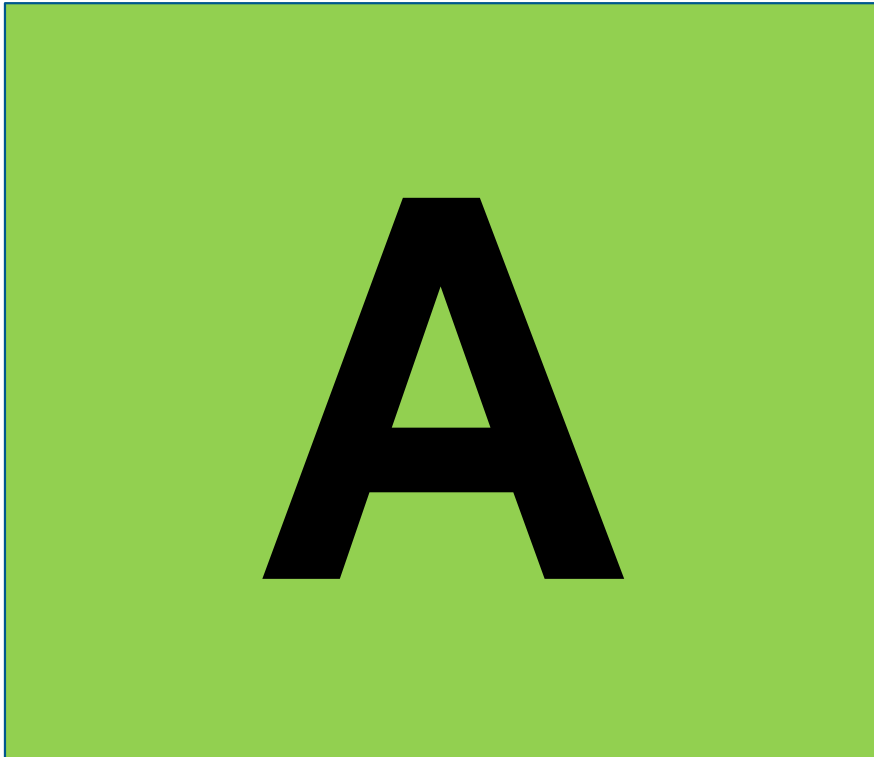
# Brand is a revenue issue

- Brand is a promise that the reputation of the company or organisation – skills, quality, know-how, behaviour – will be delivered to the customer
- Creative design of a logo, images or a colour palette are important
- Using the design to embed meaning is very useful
  - Coderus
  - Innovation Martlesham
- But the aesthetics are **LESS IMPORTANT** than the brand promise



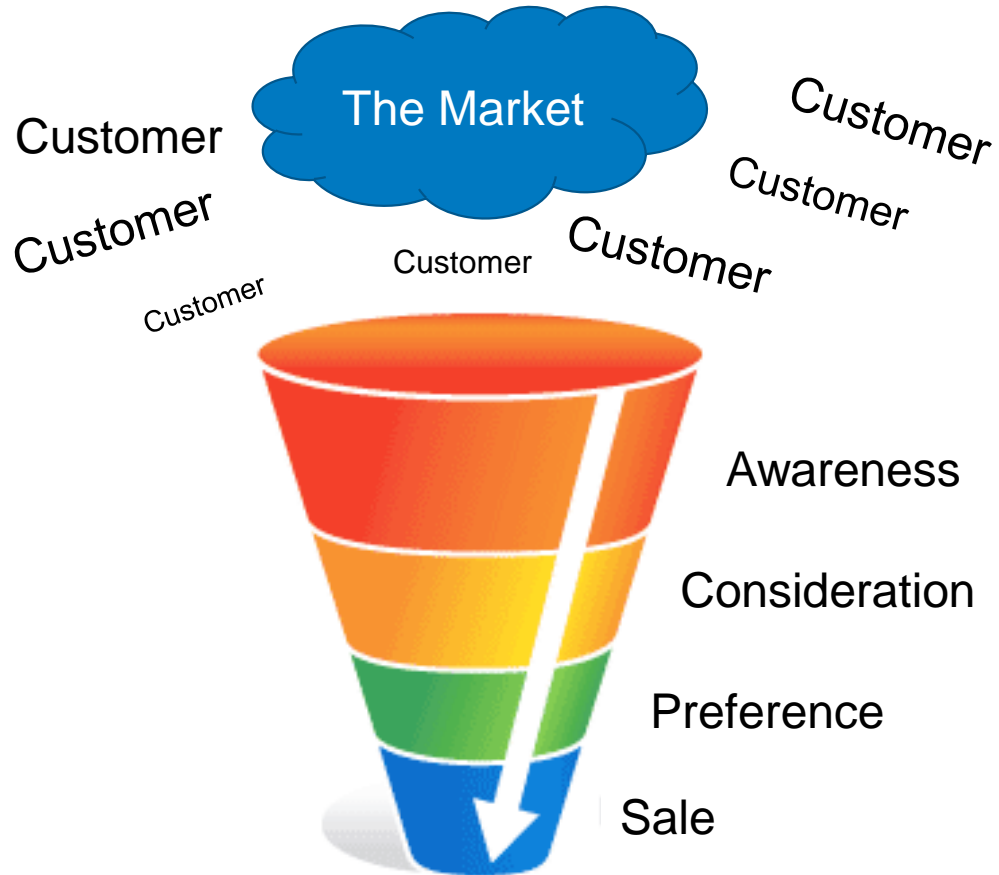
# Branding reduces costs

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# Purchase funnel

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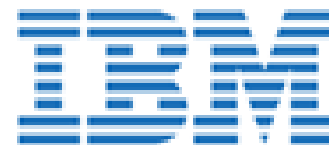
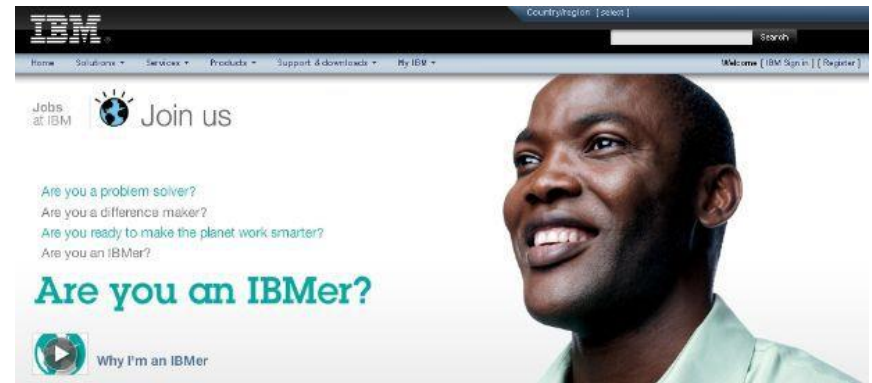
# Brand consistency through sales funnel = higher conversion rates = reduce cost

- When customers are buying a product or service, why buy from company A and not B when they are functionally the same?



# Brand and Cost Reduction

- Start with company brand values
- Have a clear branding strategy
- Do things once and consistently
- It helps build company culture which reduces ambiguity ... saves time and cost
- Companies who have a consistent brand identity can make every opportunity work at many levels ... saving more cost



Smarter Planet



# Be true to your brand everywhere



# Google



Answer [www. 7427466391.com](http://www.7427466391.com)

# Brand and Customer Loyalty

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- Acquiring new customers can cost five times more than satisfying and retaining current customers (E.C. Murphy and M.A. Murphy)
- Brand loyalty is important even where customers make irregular purchases
- Objective is to add “value” into the relationship for existing customers and ...
- remain in mind or “front of mind” for previous customers when they come to make their next purchasing decision
- Objective: you want your customers to mentally “pencil you in” for the next purchase





# C'mon Nick, branding increases my costs

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- Money spent on “branded materials”, pop-up stands, adverts... are all costs
- These are just supporting costs for future revenues just like hiring a sales person or running a sales campaign
- Sadly...

















































# Brand drives valuation

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# Most Valuable Global Brands in 2015

01  +43% 170,276 \$m	02  +12% 120,314 \$m	03  -4% 78,423 \$m	04  +11% 67,670 \$m	05  -10% 65,095 \$m	26  +8% 18,768 \$m	27  +4% 16,541 \$m	28  +8% 15,267 \$m	29  +2% 14,723 \$m	30 ZARA +16% 14,031 \$m
06  +16% 49,048 \$m	07  0% 45,297 \$m	08  -7% 42,267 \$m	09  -6% 39,809 \$m	10  +29% 37,948 \$m	31  +7% 13,943 \$m	32  -3% 13,940 \$m	33  +10% 13,749 \$m	34  -6% 12,637 \$m	35  -9% 12,545 \$m
11  +9% 37,212 \$m	12  +7% 36,711 \$m	13  +13% 36,514 \$m	14  +4% 35,415 \$m	15  -3% 29,854 \$m	36  +7% 12,257 \$m	37  -11% 11,656 \$m	38  +6% 11,578 \$m	39  +8% 11,293 \$m	40  -4% 11,278 \$m
16  +5% 27,283 \$m	17  +16% 23,070 \$m	18  -3% 23,056 \$m	19  +6% 22,975 \$m	20 LOUIS VUITTON -1% 22,250 \$m	41  +22% 10,944 \$m	42  +9% 10,800 \$m	43 L'ORÉAL +6% 10,798 \$m	44  +5% 10,328 \$m	45  +12% 9,784 \$m
21  +5% 22,222 \$m	22  -3% 22,218 \$m	23  +54% 22,029 \$m	24  +3% 19,622 \$m	25  -3% 18,922 \$m	46  +9% 9,526 \$m	47  -8% 9,400 \$m	48  +14% 9,254 \$m	49  +19% 9,082 \$m	50 GUCCI -14% 8,882 \$m

Source: Interbrand Best Global Brands 2015 report

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Business  
products



Part-  
business  
products

# What drives valuation?

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1. Free cash flow – revenues, profit and cash
2. The promise of future free cash flow
3. Strategic fit with acquirer



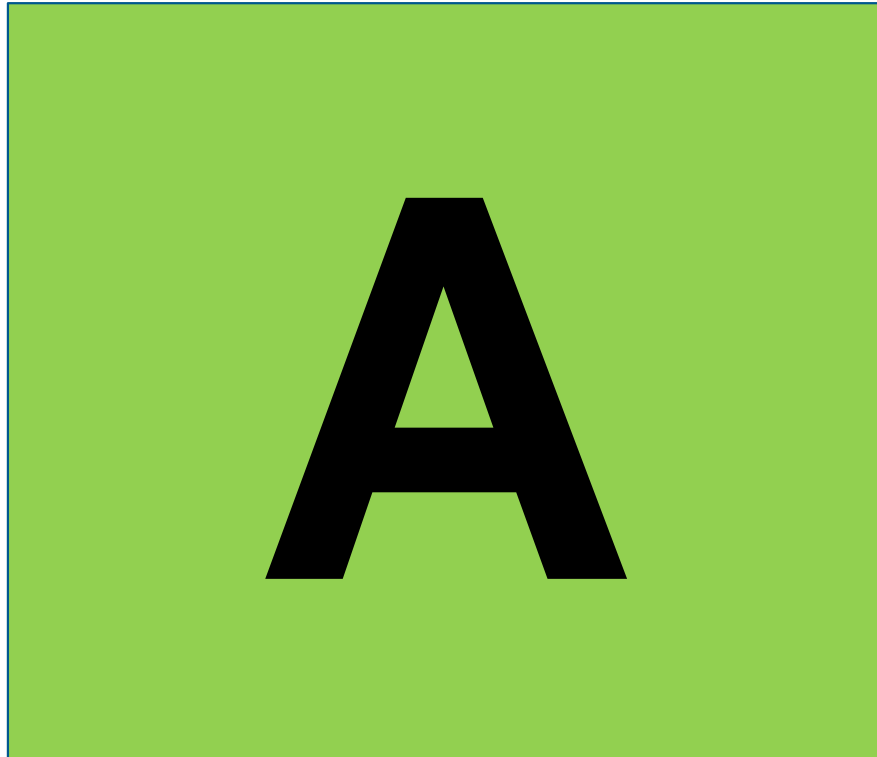
x1 revenue (2003)



x3.5 revenue (2003)

# Company brand is more important for tech companies than FMCG

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# FMCG

The image is a collage representing Unilever's FMCG brands and its people. At the top left, there are logos for 'APOLLO LYNX DRY' and 'Lipton Ice Tea'. On the right side, the Unilever logo (a blue 'U' made of leaves) and the word 'Unilever' are displayed. In the center, the text 'MADE BY YOU' is written in large, blue, sans-serif capital letters. Below this text, a horizontal row of logos includes 'Cafemilk', 'Dove', 'Pepsi', 'Lipton', 'FLORA', 'OMO', 'LYNX', 'CLEAR', 'ICE CREAM', and 'BEN&JERRY'S'. On the left and right sides, there are portraits of a smiling woman and a smiling man, respectively, with blue geometric shapes behind them.

# Company brand is more important for tech than FMCG

	FMCG Sector	Tech Sectors	Tech Implications
Market Life	Mature markets evolve very <b>slowly</b> . Successful brands may last for decades or centuries	<b>Fast pace</b> of change renders technology product brands obsolete quickly. Customer buy criteria. Expectations change rapidly with technology evolution	Important to <u>brand the company</u> , not the solutions, as only the company has a chance of surviving a longer duration
Product Life	<b>Long</b> product life durations. Soap and toothpaste are essentially the same today as 100 years ago	<b>Very short</b> product life. Products migrate through adoption curve and are continuously replaced with new innovation. Technology maturity is an oxy-moron	Brand messages <u>change</u> with progress through the adoption curve
Procurement Cycle	Decisions made <b>quickly</b> , some times on impulse, by lone consumers based on few criteria	Decisions made by groups (committees) over <b>longer</b> evaluation cycles based on many criteria and negotiation	Brand used to <u>influence, prioritize or trump</u> other decision making criteria as well as defend price premiums
Product Sophistication	<b>Simple</b> products easily understood by consumers.	<b>Complex</b> products, often intangible, which require experience or outside experience to understand	Brands used as extensions to benefits statements and competitive advantages to go beyond feature set competitions.

# Conclusions

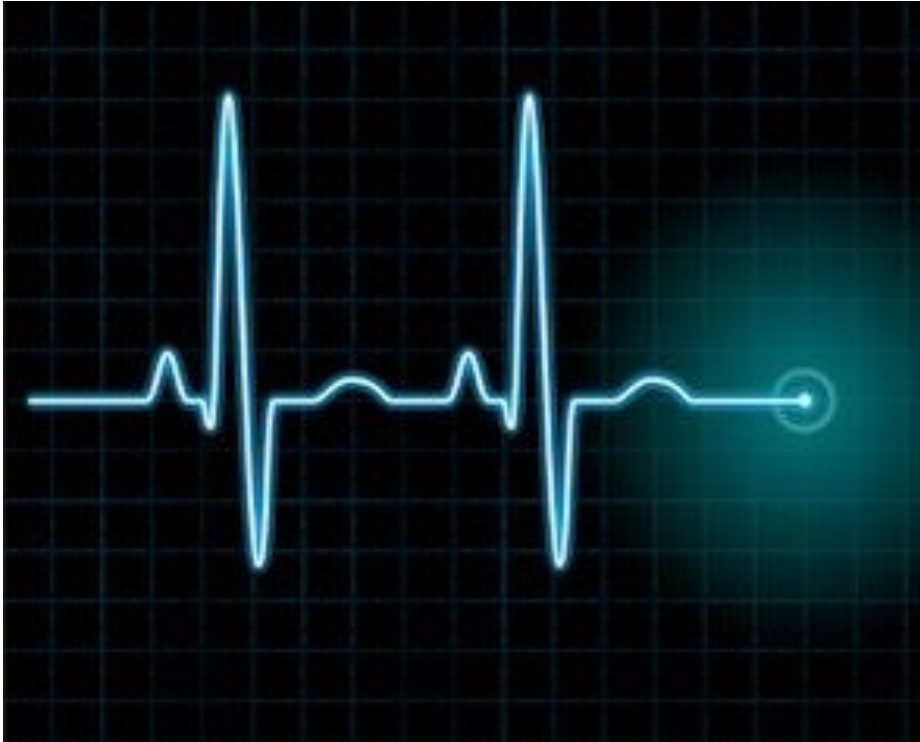
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- Brand is a promissory note
- Brands are more about revenue than design
- Brand reduces costs
- Brand drives valuation
- Company brand is more important for tech companies than FMCG
- To deliver the maximum commercial impact – brand values need to be authentic and deliverable without fail



# Free brand health check

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- Innovation Martlesham Mentors
- Health check format
  - Discussion – 30 minutes
  - Review of your key documents and customer facing material
  - Feedback presentation – 30 minutes



**MILNER**

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**GROWING COMPANY VALUE**