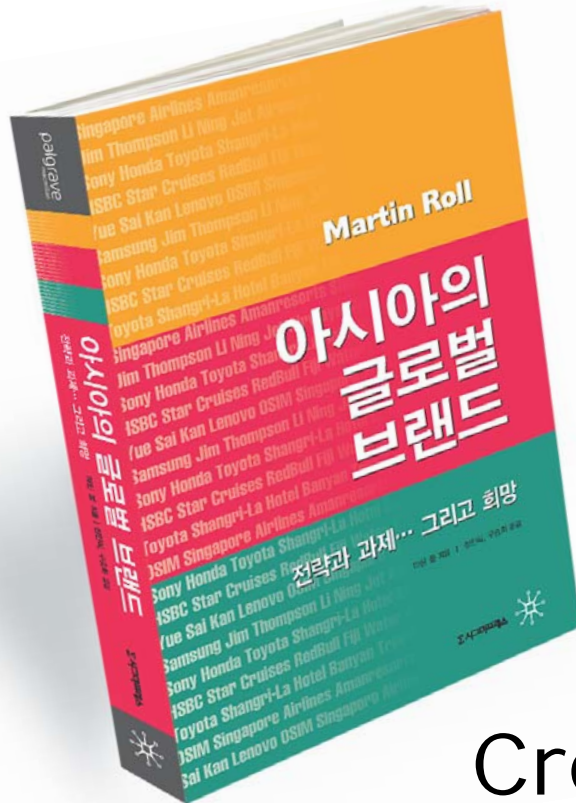


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Create and Maintain Brand Leadership

Edelman Korea
Seoul, March 7, 2007

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"What other brand name do you see tattooed on people?"

*Bob Dron, Harley-Davidson dealer
Oakland, US*

The Asian challenges

- Low cost is becoming a commodity
- Chinese and Indian economy
- Trading mindset
- Less focus on innovation
- Asset challenge
- Dominance of large diversified conglomerates
- Excess capacity
- IP/Trademarks

Brands drive shareholder value

- Academic study found that on average, strong brands constitute 37% of a company's market capitalization
- Strong brands outperform the market with less risk (beta = 0.85)
- Strong brands outperform the market on most financial ratios

Madden, Fehle and Fournier, May 2002

What matters to the CEO/board?

- How much does branding matter in our industry context?
- How strong is our brand – locally, regionally and internationally?
- How do we measure and track the brand equity and the financial brand value?
- How do we maximize the brand's contribution to the overall success of the business?



- **Need for a cross-functional and metrics driven approach to brand management**
 - **Elevate the branding discipline into the boardroom**

New paradigm for Asia

From	To
<p>Manufacturing Production Low cost/ Low perceived value Price as sales driver Short-term financial focus Branding in marketing function A function drives the brand Market share Marketing as cost (Profit & Loss statement)</p>	<p>Branding Design and innovation Low cost/ High perceived value Value as sales driver Long-term financial focus Branding in boardrooms Organisation drives the brand Brand equity Branding as strategic investment (Balance sheet)</p>

Branding starts in the boardroom

Mindsets & beliefs

Skills

Resources

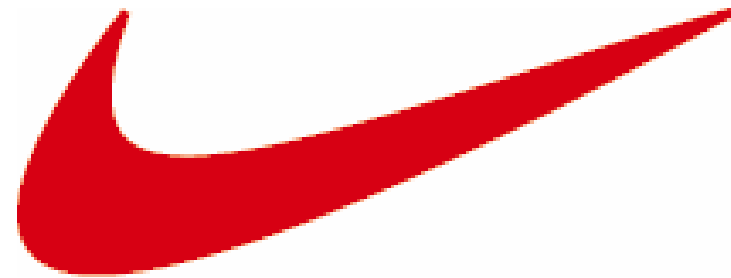
Branding starts in the boardroom



The Asian brand challenge no. 1: Lack of imagination and calculated risk taking



Anything is possible



Just do it

Divert and differentiate



Brand Equity Model		
Knowledge metrics	Preference metrics	Financial metrics
Brand Awareness <ul style="list-style-type: none">• Recognition• Unaided recall• Aided recall• Top-of-mind recall	<ul style="list-style-type: none">• Familiarity• Consideration• Purchase• Usage• Loyalty	<ul style="list-style-type: none">• Market share• Price premium• Revenue• Transaction value• Lifetime value• Growth rate
Brand Associations <ul style="list-style-type: none">• Functional• Emotional		

Components of an iconic brand

Component	Content
Create an identity myth	<ul style="list-style-type: none">• Enrich the brand with personality and value to enable it to perform any myth the society demands at a given historical moment
Involve story tellers	<ul style="list-style-type: none">• Involve various “societal authors” to weave stories of the brand to the consumers
Weave powerful brand stories	<ul style="list-style-type: none">• Make the brand resonate and bring it to life by building powerful and identifiable stories around the brand

Singapore Girl is launched in 1973

Asian brand



Branding Excellence™

Strong brands have 2 basic components	
A. Brand Promise	B. Brand Delivery
<ul style="list-style-type: none">• Brand Essence• Brand Identity• Brand Position	<ul style="list-style-type: none">• Attributes, benefits and values• Organisation and distribution• Brand Image
Characteristics: <ol style="list-style-type: none">1. Brand Promise and Brand Delivery are equally balanced and leveraged2. Uniqueness and differentiation are key drivers3. Consistency across products, markets, organisations and cultures4. Strong brand management systems and processes in place5. Board and top-management are deeply engaged and committed	

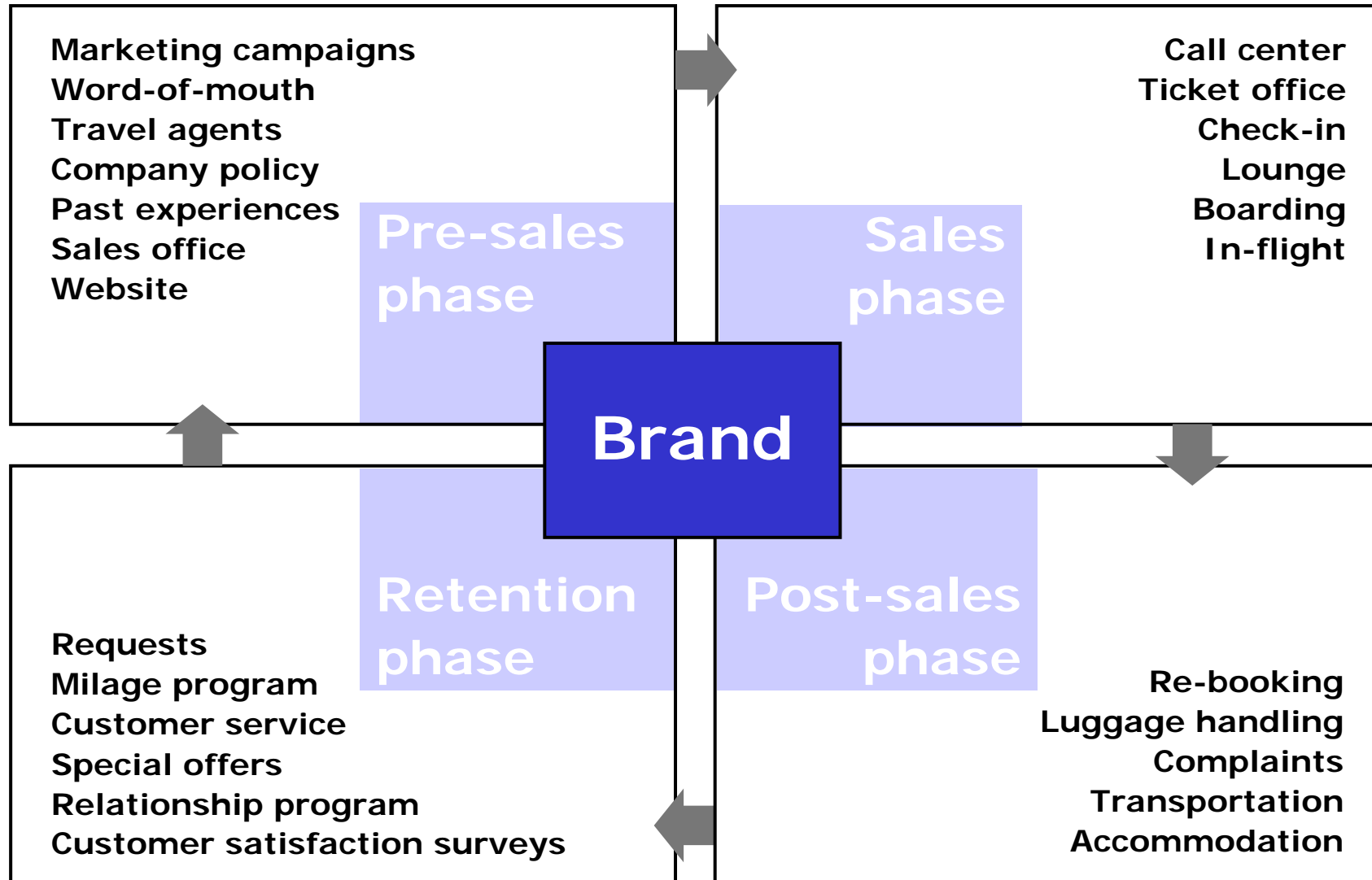
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Asian brand

**First
to Fly**
A380
SINGAPORE
AIRLINES
EXPERIENCE THE DIFFERENCE IN 2006



VentureRepublic



Brands as financial assets

“Fully engaged customers deliver 23% premium over the average customer in terms of share of wallet, profitability, revenue and relationship growth”.

*Harvard Business Review
July-August 2005*

10 steps to build and maintain brand leadership

1. The CEO needs to lead the brand strategy work
2. Build your own model as not every model suits all
3. Involve your stakeholders including the customers
4. Advance the corporate vision
5. Exploit new technology
6. Empower people to become brand ambassadors
7. Create the right delivery system
8. Communicate!
9. Measure the brand performance
10. Adjust regularly – be your own change agents

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Weblog on Asian branding

Case stories on Asian brands

Free chapters in PDF format

www.asianbrandstrategy.com

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