Brands v. Trademarks

• Brands Are Trademarks
  – Brands = Housemarks
    • Corporate umbrella/ corporate identity
  – “brand” also points to a trademarked product
Building Brand Value

• “A brand is a product (or a class of products) including its trademark, its brand name, its reputation and the atmosphere built up around it.” Mollerup, *Marks of Excellence*, at 56 (emphasis added).

• “The brand signifies...the values which [the producer] seeks to include in [the branded product].” Kapferer, *Strategic Brand Management*, at 118 (emphasis added).

Inherent Strength of Brands

[Diagram showing competing interests between Advertising/Marketing and Legal, with categories Strongest Initially, Suggestive, Descriptive, and Weakest Initially not protectable.]

3

4
### Inherent Strength of Brands

- **Coined marks:** Inherently distinctive  
  - IKEA (35) GOOGLE (10)
- **Arbitrary marks:** Inherently distinctive  
  - APPLE (24) SHELL (97) ORACLE (23)
- **Suggestive marks:** Inherently distinctive  
  - MTV (52) VOLKSWAGEN (53)
- **Descriptive marks:** Requires secondary meaning  
  - PIZZA HUT (81)

### Function of a Brand

- **Differentiates:**  
  - Company  
  - Product  
  - Service
- **Identifies a single source**  
  - Source could be unknown
- **Indicates a consistent level of quality**
- **Focal point of goodwill**
### Brand Identity = Bundle of Assets

<table>
<thead>
<tr>
<th>Corporate name</th>
<th>Domain names</th>
</tr>
</thead>
<tbody>
<tr>
<td>House mark</td>
<td>Characters</td>
</tr>
<tr>
<td>Product names/subbrands</td>
<td>Trade Dress</td>
</tr>
<tr>
<td>Logos</td>
<td>Product configurations</td>
</tr>
<tr>
<td>Slogans</td>
<td>Marketing concepts</td>
</tr>
<tr>
<td>Colors</td>
<td>Goodwill</td>
</tr>
<tr>
<td>Sounds</td>
<td>Trademark registrations</td>
</tr>
<tr>
<td></td>
<td>Copyrights/registrations</td>
</tr>
</tbody>
</table>

---

### Guess the World’s

Top 3 Brands???????????
### Top 20 Global Brands 2008

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Year</th>
<th>Value (in Billion)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>COCA-COLA</td>
<td></td>
<td>$67 Billion</td>
<td>Up 2%</td>
</tr>
<tr>
<td>2.</td>
<td>IBM (2007: 3)</td>
<td></td>
<td>$59 Billion</td>
<td>Up 6%</td>
</tr>
<tr>
<td>3.</td>
<td>MICROSOFT (2)</td>
<td></td>
<td>$59 Billion</td>
<td>Up 7%</td>
</tr>
<tr>
<td>4.</td>
<td>GE</td>
<td></td>
<td>$53 Billion</td>
<td>Up 1%</td>
</tr>
<tr>
<td>5.</td>
<td>NOKIA</td>
<td></td>
<td>$53 Billion</td>
<td>Up 3%</td>
</tr>
<tr>
<td>6.</td>
<td>TOYOTA</td>
<td></td>
<td>$53 Billion</td>
<td>Up 5%</td>
</tr>
<tr>
<td>7.</td>
<td>INTEL</td>
<td></td>
<td>$53 Billion</td>
<td>Up 3%</td>
</tr>
<tr>
<td>8.</td>
<td>McDONALD’S</td>
<td></td>
<td>$53 Billion</td>
<td>Up 1%</td>
</tr>
<tr>
<td>9.</td>
<td>DISNEY</td>
<td></td>
<td>$53 Billion</td>
<td>Up 4%</td>
</tr>
<tr>
<td>10.</td>
<td>GOOGLE (20)</td>
<td></td>
<td>$53 Billion</td>
<td>Up 3%</td>
</tr>
<tr>
<td>11.</td>
<td>MERCEDES BENZ (10)</td>
<td></td>
<td>$59 Billion</td>
<td>Up 6%</td>
</tr>
<tr>
<td>12.</td>
<td>HP</td>
<td></td>
<td>$59 Billion</td>
<td>Up 1%</td>
</tr>
<tr>
<td>13.</td>
<td>BMW</td>
<td></td>
<td>$59 Billion</td>
<td>Up 6%</td>
</tr>
<tr>
<td>14.</td>
<td>GILLETTE (16)</td>
<td></td>
<td>$59 Billion</td>
<td>Up 7%</td>
</tr>
<tr>
<td>15.</td>
<td>AMERICAN EXPRESS</td>
<td></td>
<td>$59 Billion</td>
<td>Up 3%</td>
</tr>
<tr>
<td>16.</td>
<td>LOUIS VUITTON (17)</td>
<td></td>
<td>$59 Billion</td>
<td>Up 1%</td>
</tr>
<tr>
<td>17.</td>
<td>CISCO (18)</td>
<td></td>
<td>$59 Billion</td>
<td>Up 6%</td>
</tr>
<tr>
<td>18.</td>
<td>MARLBORO (14)</td>
<td></td>
<td>$59 Billion</td>
<td>Up 4%</td>
</tr>
<tr>
<td>19.</td>
<td>CITI (11)</td>
<td></td>
<td>$59 Billion</td>
<td>Up 5%</td>
</tr>
<tr>
<td>20.</td>
<td>HONDA (19)</td>
<td></td>
<td>$59 Billion</td>
<td>Up 3%</td>
</tr>
</tbody>
</table>

### Valuing the Brand 2008

- **COCA-COLA** $67 Billion
  - Up 2%
- **IBM** $59 Billion
  - Up 3%
- **MICROSOFT** $59 Billion
  - Up 1%
- **GE** $53 Billion
  - Up 3%
- **NOKIA** $36 Billion
  - Up 7%
- **TOYOTA** $34 Billion
  - Up 6%
- **INTEL** $31 Billion
  - Up 1%
- **McDONALD’S** $31 Billion
  - Up 6%
- **DISNEY** $29 Billion
  - Unchanged
- **GOOGLE** $26 Billion
  - Up 43%
What Do Successful Brands Share?

• Distinctiveness
  – Uniqueness
  – Differentiation
    • Compared to competitors
    • Compared to all brands
      – Top 100: 28% (maintained position w/in 3 over 5 years)
      – Top 20: 90%

What Do Successful Brands Share?

• Reputation
  – Entirely within brand owner’s control
    • Thus, quality control is an element of licensing
  – Implies a promise:
    • Product design/characteristics
    • Product quality
    • Availability
    • Reliability
    • Service
  – What does the brand stand for?
What Do Successful Brands Share?

• Fame: The Ultimate goal
  – Depends on:
    • Brand you choose
    • Consistent product quality
    • Market placement
    • Adequate promotion
    • Public acceptance
    • Tipping Point
What Do Successful Brands Share?
Distinctiveness

- Two or three syllables
  - Top 100: 79%
  - Top 20: 80%
- Person’s Name (or variation)
  - Top 100: ~ 33%
  - Top 20: 40%
  - TOYOTA (TOYODA), MCDONALD’S, DISNEY, MERCEDES-BENZ, GILLETTE, LOUIS VUITTON, MARLBORO, HONDA

What Do Successful Brands Share?
Distinctiveness

- Acronyms
  - Top 100: 15%
  - Top 20: 20%
- Two or More Words
  - Top 100: 16%
  - Top 20: 20%
- Simple and easy to pronounce
What Do Successful Brands Share?
Distinctiveness

<table>
<thead>
<tr>
<th>Coined/Arbitrary terms</th>
<th>Suggestive:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Including people’s names</td>
<td>Mostly acronyms</td>
</tr>
<tr>
<td>Top 100: ~78%</td>
<td>Top 100: ~21%</td>
</tr>
<tr>
<td>Top 20: ~75%</td>
<td>Top 20: ~20%</td>
</tr>
</tbody>
</table>

| Descriptive, with secondary meaning: |
| Top 100: 1% |
| Top 20: 0% |

What Do Successful Brands Share?
Motivation

<table>
<thead>
<tr>
<th>COCA-COLA</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 1: at least 5 years</td>
</tr>
<tr>
<td>$67 Billion</td>
</tr>
<tr>
<td>Consumer oriented</td>
</tr>
<tr>
<td>Pleasure</td>
</tr>
</tbody>
</table>
## What Do Successful Brands Share?

### Motivation

- **IBM**
  - No. 2/3: at least 5 years
  - $59 Billion
  - Consumers and B2B
  - Products people need

- **MICROSOFT**
  - No. 3/2: at least 5 years
  - $59 Billion
  - Consumers and B2B
  - Products people need
  - Price secondary
What Do Successful Brands Share?
Motivation

• GE
  – No. 4: at least 5 years
  – $53 Billion
  – Consumers and B2B
  – Products people need
    • Well priced

What Do Successful Brands Share?
Motivation

• TOYOTA
  – No. 6, 6, 7, 9, 9
  – $34 Billion
  – Consumer oriented
  – High quality
### What Do Successful Brands Share?

**Motivation**

<table>
<thead>
<tr>
<th>Brand</th>
<th>Rank</th>
<th>History</th>
<th>Revenue</th>
<th>Market Focus</th>
<th>Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTEL</td>
<td>5-7</td>
<td>5 years</td>
<td>$31 Billion</td>
<td>B2B</td>
<td>Products people hear about</td>
</tr>
<tr>
<td>MCDONALD’S</td>
<td>7-9</td>
<td>5 years</td>
<td>$31 Billion</td>
<td>Consumer oriented</td>
<td>Pleasure</td>
</tr>
</tbody>
</table>

- **INTEL**
  - No. 5-7: at least 5 years
  - $31 Billion
  - B2B
  - Products people hear about

- **Mcdonald’s**
  - No. 7-9: at least 5 yrs.
  - $31 Billion
  - Consumer oriented
  - Pleasure
    - Convenience
### What Do Successful Brands Share?

**Motivation**

<table>
<thead>
<tr>
<th>Brand</th>
<th>Position and Years</th>
<th>Revenue</th>
<th>Orientation and Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>DISNEY</td>
<td>No. 6-9: at least 5 years</td>
<td>$29 Billion</td>
<td>Consumer oriented, Children, Pleasure</td>
</tr>
<tr>
<td>GOOGLE</td>
<td>No. 10, 20, 24, 38, New</td>
<td>$25 Billion</td>
<td>Internet User-oriented, Information delivery, Information people need</td>
</tr>
</tbody>
</table>
### What Do Successful Brands Share?
**Motivation: Top 10 Scorecard**

<table>
<thead>
<tr>
<th>Pleasure:</th>
<th>Products People Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>– COCA-COLA</td>
<td>– MICROSOFT</td>
</tr>
<tr>
<td>– DISNEY</td>
<td>– IBM</td>
</tr>
<tr>
<td>– McDONALD’S</td>
<td>– GE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>High Quality</th>
<th>Products People Hear About</th>
</tr>
</thead>
<tbody>
<tr>
<td>– TOYOTA</td>
<td>– NOKIA</td>
</tr>
<tr>
<td></td>
<td>– GOOGLE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Products People Hear About</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>– INTEL</td>
</tr>
</tbody>
</table>

### So How Do You Build a Successful Brand?

- **Choices you make now can make or break the brand**
- Your brand competes for the public’s:
  - Attention
  - Loyalty
  - Money
- Don’t Listen to Everyone..........
Building Brand Value: The Minority View

• “The best brands go against the cultural grain…” Frankel, The Revenge of Brand X, at 43.

• “If you want prospects to remember your...brand, you need to make it...‘shocking.’” Ries, The 22 Immutable Laws of Branding, at 160.

• “In some situations, an irritating, brutal or even ugly trademark...may be more effective than a pleasing mark. ... Occasionally irritation capacity is more valuable than good taste.” Mollerup, Marks of Excellence, at 75, 90.

Can A Brand Gain Value Fast?

• H&M: unrated to 22 in one year
• GOOGLE: unrated to 10 in 5 years, 20 to 10 in 1 year,
• APPLE: 43 to 24 in 5 years, 33 to 24 in one year,
• BLACKBERRY: Unrated to 73 in one year
• eBay: 60 to 46 in five years
Can A Brand Loose Value Fast?

- Citi: 11 to 19 in one year
- MERRILL LYNCH: 22 to 34 in one year
- JP MORGAN: 32 to 37 in one year
- MORGAN STANLEY: 37 to 42 in one year
- FORD: 41 to 49 in one year
- AIG: 47 to 54 in one year
- YAHOO: 55 to 65 in one year
- GAP: 61 to 77 in one year
- MOTOROLA: 77 to 87 in one year
- KODAK: 53, 62, 70, 82, unrated

Five-year casualties

- KODAK
- PFIZER
- NOVARTIS
- NISSAN
- BULGARI
- LEVI'S
- LG
- HEINEKEN
How is Brand Value Built??

• Through Use
• Through Licensing
  – Litmus test of established value
  – Would third parties want to use the brand?
  – How much will they pay?

10 Tips for Brand Success

• No. 1: Be creative:
  – 1. Coined 😊😊😊
  – 2. Arbitrary 😊😊
  – 3. Suggestive 😊
### 10 Tips for Brand Success

**No. 2: Be introspective:**
- If you have a good name, use it instead of spending $$$ Millions to coin one.
  - TOYOTA (TOYODA) (6)
  - McDONALDS (8)
  - DISNEY (9)
  - MERCEDES-BENZ (11)
  - GILLETTE (14)

**No. 3: Strive for:**
- 2-3 syllables
- Simple
- Easy to pronounce
10 Tips for Brand Success

<table>
<thead>
<tr>
<th>No. 4: Try to Avoid:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acronyms</td>
</tr>
<tr>
<td>More than one word</td>
</tr>
<tr>
<td>Language embarrassments</td>
</tr>
</tbody>
</table>

10 Tips for Brand Success

<table>
<thead>
<tr>
<th>No. 5: Design your total Brand Identity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relation to corporate name</td>
</tr>
<tr>
<td>Logos</td>
</tr>
<tr>
<td>Slogans</td>
</tr>
<tr>
<td>Domain Names</td>
</tr>
<tr>
<td>Trade Dress (including color, sound, shape)</td>
</tr>
<tr>
<td>Subbrands</td>
</tr>
<tr>
<td>Characters</td>
</tr>
<tr>
<td>Marketing concepts/positioning</td>
</tr>
</tbody>
</table>
10 Tips for Brand Success

• No. 6: Clear and protect the brand.
  – Comprehensive search
    • Worldwide??
  – Opinion of counsel
  – Register Trademarks
    • First use
    • First registration
  – Register copyrights
  – Police the Brand
  – Use it consistently

10 Tips for Brand Success

• No. 7: Set your level of quality and stick to it.
  – Provide Consistent:
    • Design
    • Quality
    • Availability
    • Reliability
    • Service
10 Tips for Brand Success

• No. 8: Match market placement and price to level of quality.
  — Study companies like:
    • IBM (2)
    • GE (4)
    • HP (12)
    • SONY (25)

10 Tips for Brand Success

• No. 9: Build brand awareness (advertising, marketing).
  — Reputation
  — Recognition
  — Recall
  — Reinforcement
10 Tips for Brand Success

- No. 10: Do everything right.
  - Tipping point
  - Study companies like:
    - TOYOTA
    - GOOGLE

Thank You For Your Time!!!