

Chapter 1: Engaging & Aligning with the c-suite

# **THE BUSINESS CASE FOR BRANDS**





# The C-Suite have a limited understanding of brand



(Strongly agree/agree)

How would you rate your knowledge and understanding of how a strong brand is built and maintained?

- Excellent
- Good
- Average
- Poor
- Very poor





# Being ROI driven

Bloomberg Businessweek

## Kraft Heinz Couldn't Stomach 3G's Relentless Cost-Cutting

- The private equity firm's mashup just took a \$15.4 billion hit.

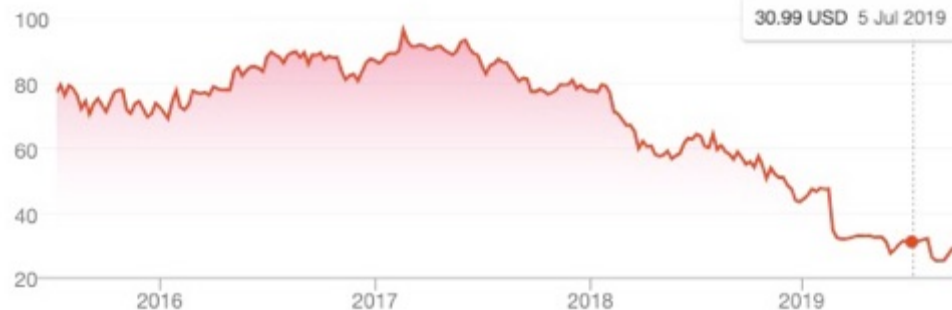
By Craig Giammona and Katherine Chiglinsky



28.01 USD -0.13 (0.46%) ↓

Closed: 26 Sep, 19:12 GMT-4 · Disclaimer  
After hours 28.01 0.00 (0.00%)

1 day 5 days 1 month 6 months YTD 1 year 5 years Max

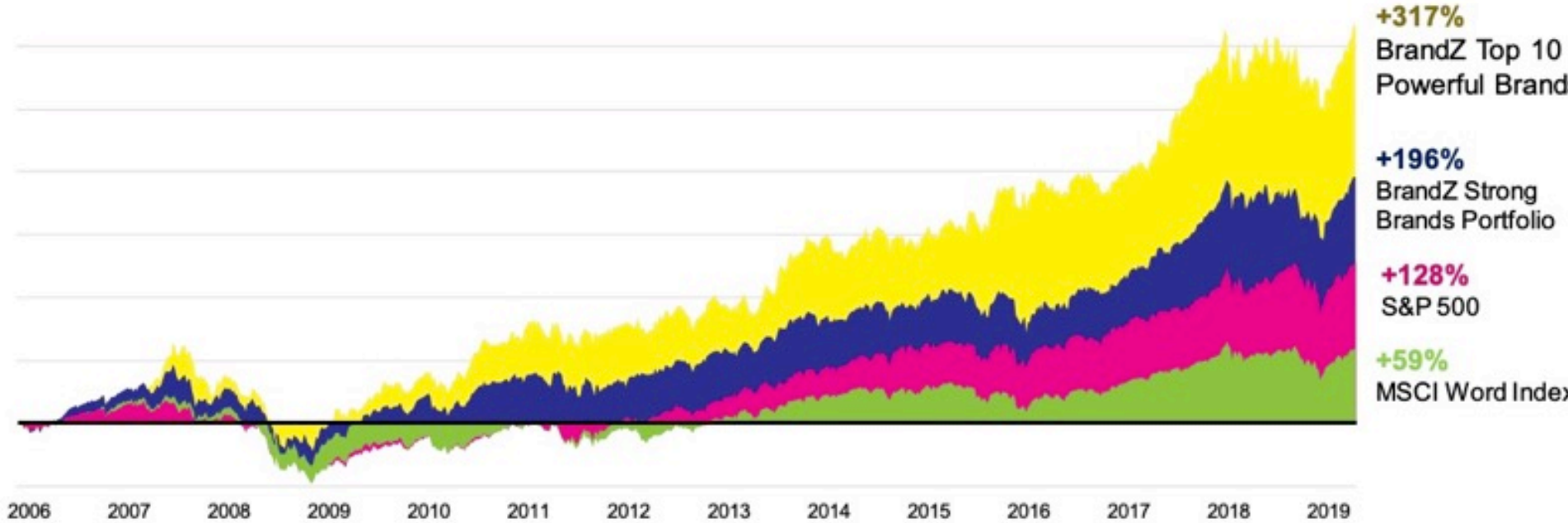


Open	28.20	Div yield	5.71%
High	28.29	Prev close	28.14
Low	27.89	52-wk high	58.08
Mkt cap	34.17B	52-wk low	24.86
P/E ratio	-		





# Brands and Recessions



Source: BrandZ Global, 2019





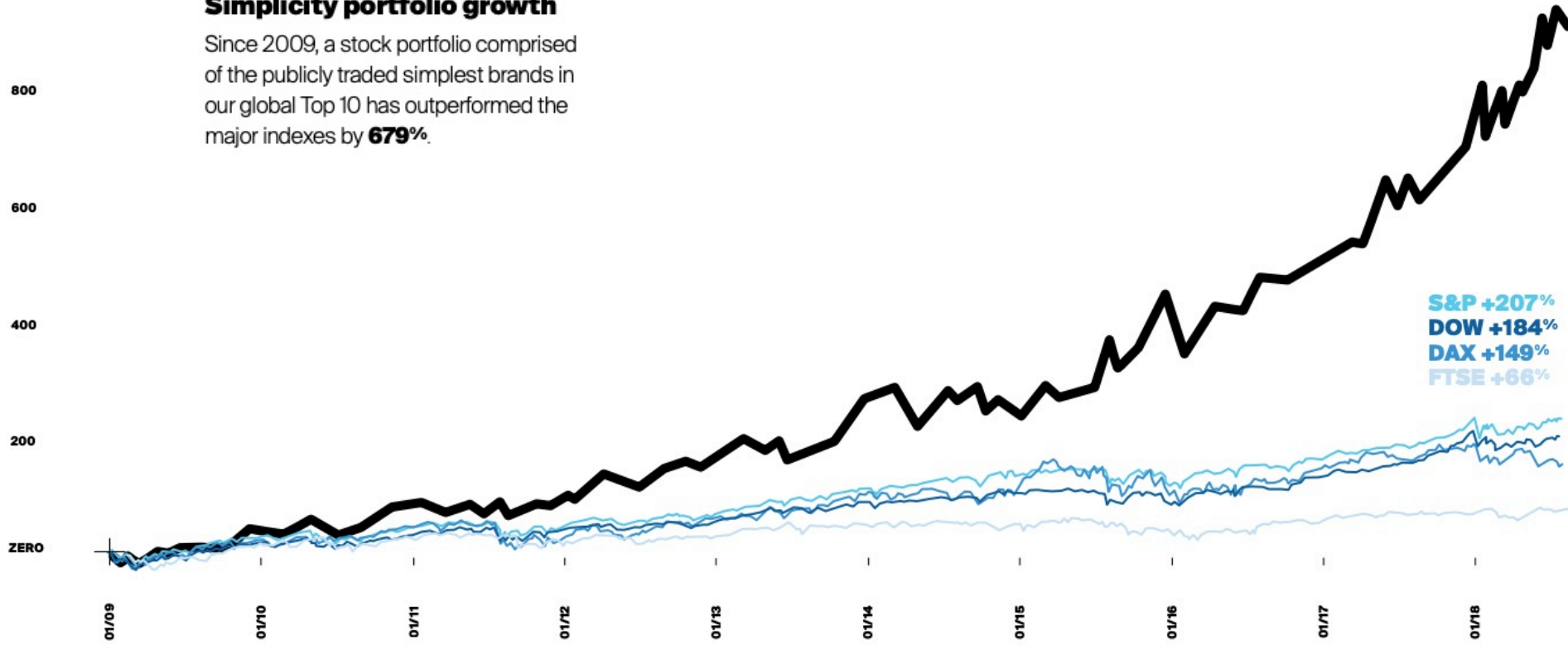
# Brands and Simplicity

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# +830%

## Simplicity portfolio growth

Since 2009, a stock portfolio comprised of the publicly traded simplest brands in our global Top 10 has outperformed the major indexes by **679%**.



Siegel+Gale Global Brand Simplicity Index (2019).

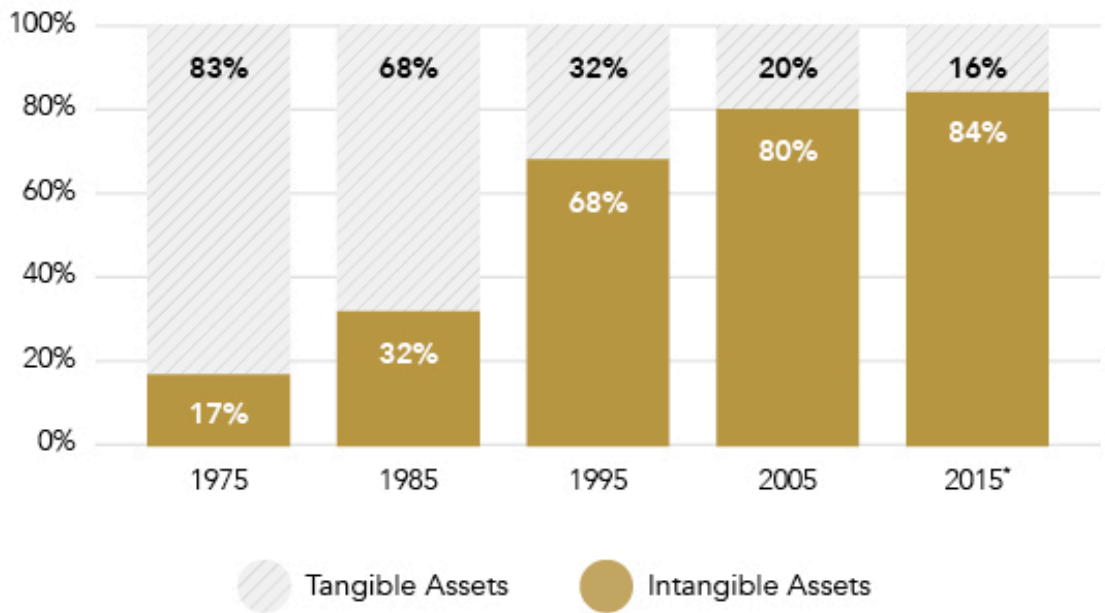




# Brands & Intangible Value

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COMPONENTS *of* S&P 500 MARKET VALUE



SOURCE: OCEAN TOMO, LLC  
\*JANUARY 1, 2015





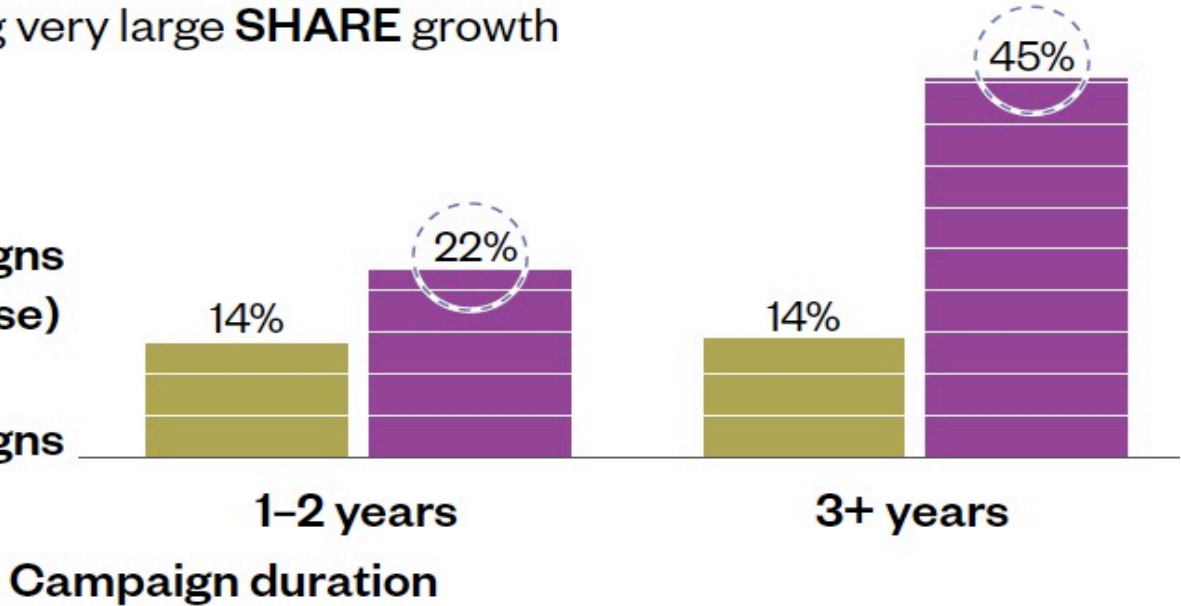
# Brand drives share

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% reporting very large **SHARE** growth

For:

- Direct campaigns (response)
- Brand campaigns



Binet & Field, The Long and the Short of It, 2013





# Brand boosts profit

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## Short-termism boosts ROMI but not profit growth



Binet & Field: Long and Short of It







# Brand and Pricing

Brand building is the best strategy for increasing your pricing power.



The B²B Institute

Source: IPA Databank, 1998-2016 for-profit cases





# Brand and Pharmaceuticals

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## **Abstract**

**The effect of branding—that is, the labelling and marketing—of a well-known proprietary analgesic used to treat headaches was studied in a sample of women given a branded or unbranded form with either an inert or an active formulation. The sample was also divided according to whether the subjects were regular users of the brand or users of other brands. The findings showed that branded tablets were overall significantly more effective than unbranded tablets in relieving headaches. Differential effects were observed: the effects of branding were more noticeable one hour after the tablets were taken compared with 30 minutes; in the women given the placebo; and in the users of the brand compared with the users of other brands.**

**It is hypothesised that these effects are due to increased confidence in obtaining relief with a well-known brand, and that branding has an analgesic effect that interacts with the analgesic effects of placebos and active ingredients.**

Braithwaite & Cooper (1981); *British Medical Journal*





# Brand and company value

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- Brands comprise 30% of all shareholder value for FTSE 100 companies
  - Total value of £480bn a year (Echo Research and Bestra Brand Consultants).
- Royal Dutch Shell's corporate brand contributes 52.1% to the company's market capitalisation (#1)
- Unilever's at 52% (#2)
- The top ten companies' reputations contribute an average of 48% to value.
- Brand drives financial value....

*Marketing Week, 7 April 2011, p4*





# Brand & stock markets

If a person invested \$1,000 in August 1994 in the top 111 strong brand companies, by December 2000 their investment would have more than quadrupled to \$4,525.

\$1,000 invested in overall stock market would have yielded \$3,195 over same time.

Madden, Fehle and Fournier (2006),  
*Journal of Academy of Marketing Science*





# Brands. Why?

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	<b>Blind Taste Test</b>	<b>Named Taste Test</b>
<b>Prefer Pepsi</b>	<b>51%</b>	<b>23%</b>
<b>Prefer Coke</b>	<b>44%</b>	<b>65%</b>
<b>Equal</b>	<b>5%</b>	<b>12%</b>





# Brands and Balance Sheet Value

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1  31.81% \$415,855.00 M	2  13.79% \$352,206.00 M	3  29.97% \$326,544.00 M	4  4.73% \$323,601.00 M	5  5.00% \$186,809.00 M	6  16.21% \$152,525.00 M	7  15.37% \$150,978.00 M	8  -7.41% \$147,190.00 M	9  -0.80% \$129,321.00 M	10  17.62% \$108,129.00 M
11  -2.35% \$105,833.00 M	12  0.07% \$94,662.00 M	13  3.96% \$84,022.00 M	14  -2.72% \$83,667.00 M	15  -19.05% \$58,247.00 M	16  7.62% \$57,585.00 M	17  0.09% \$57,578.00 M	18  58.46% \$53,755.00 M	19  9.66% \$51,777.00 M	20  -7.56% \$50,748.00 M

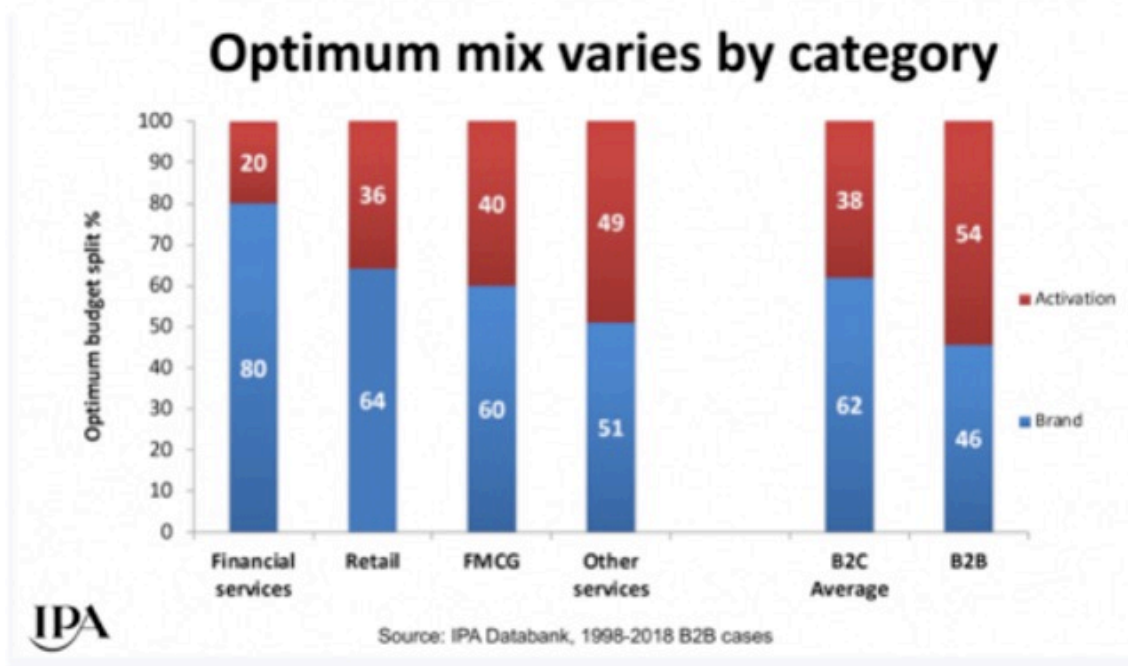
World's Most Valuable Brands (Kantar Millward Brown, 2020)(7)





# Balanced Branding through brand response

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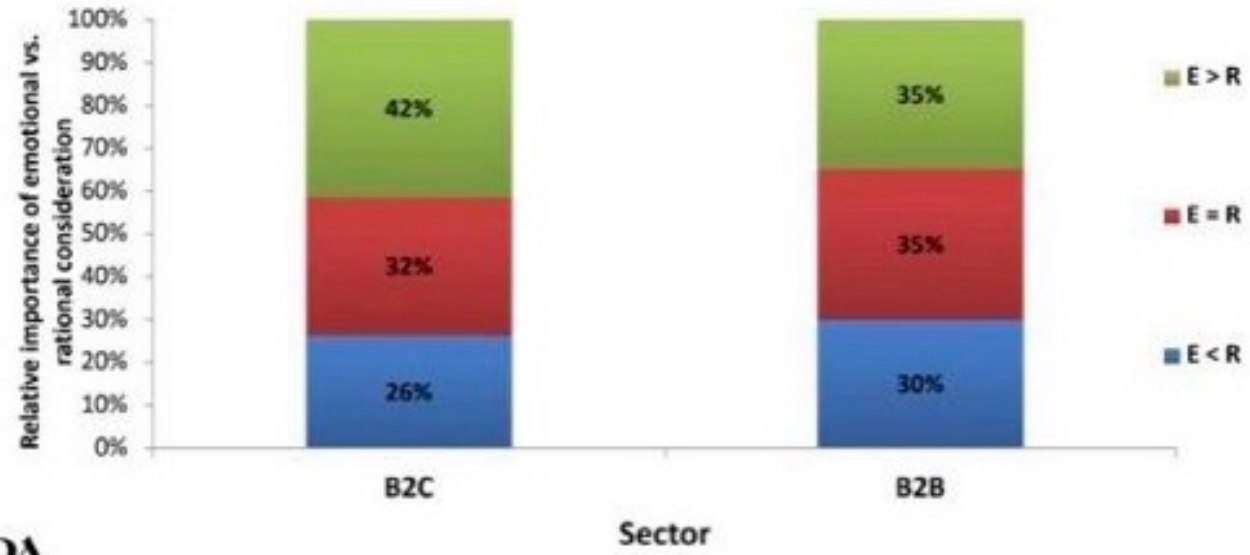




# B2B Branding & Emotion

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Emotions are important in B2B decision making as well



Source: IPA Databank, 1998-2018 cases



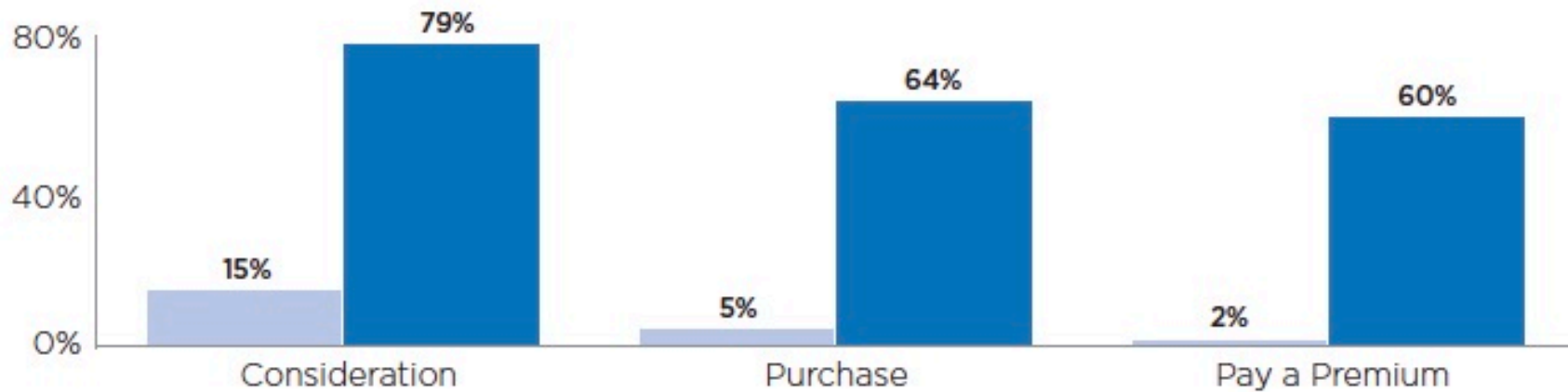




# The power of emotion in B2B

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## Impact of B2B Branding



n = 3,000 B2B buyers.

Source: CEB/Motista Survey; CEB analysis.

■ No Brand Connection  
■ High Brand Connection

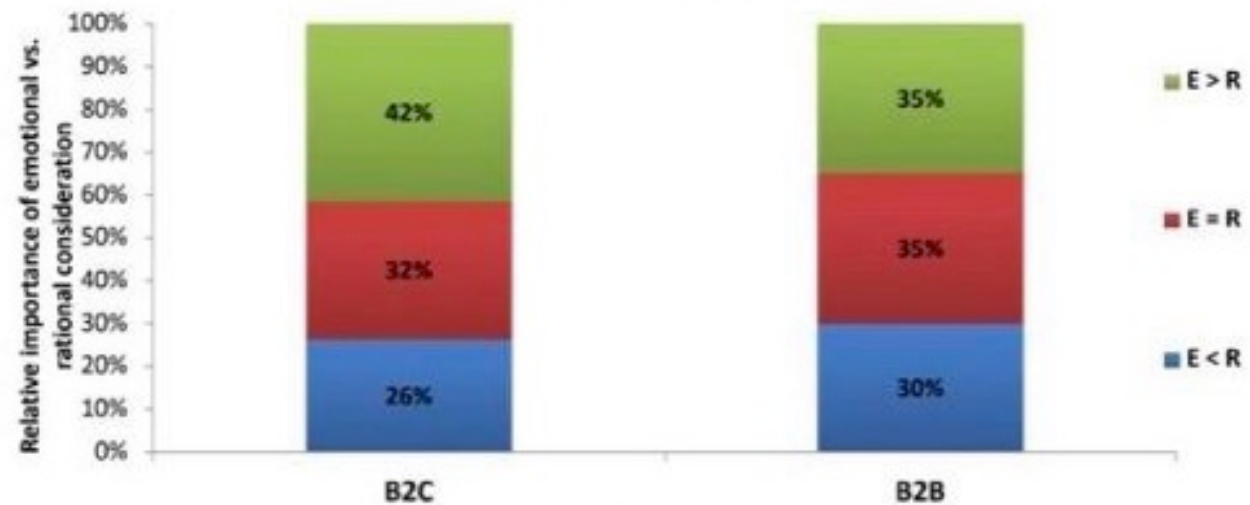




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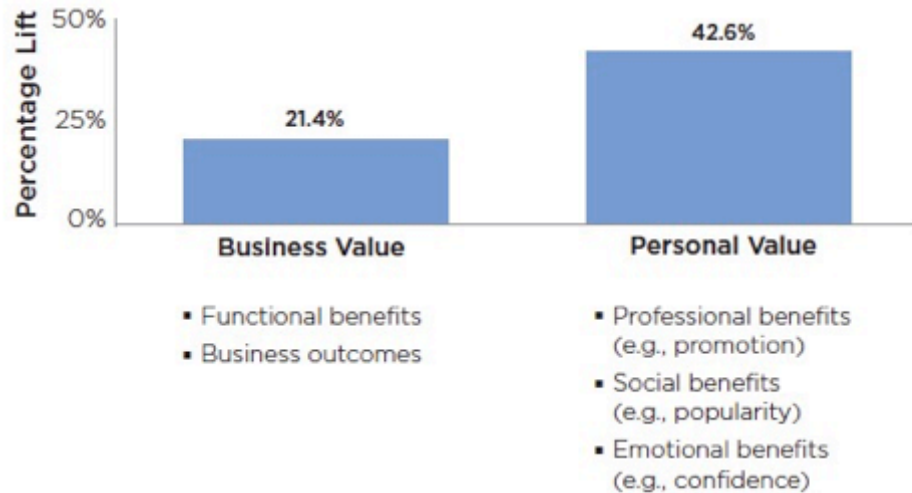




# Empathetic B2B brands (i)

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### Commercial Impact of Perceived Brand Benefits<sup>a</sup>



n= 3,000.  
Source: CEB/Motista Survey; CEB analysis.

<sup>a</sup>Familiarity, consideration, preference, purchase, repeat purchase, premium payment, internal advocacy, external advocacy.

### Edwards Lifesciences' Personal Value Message

**This moment**  
*your skill meets our Innovation*

**is everything.**

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O.R.  
2

This is the moment your skill and technique are complemented with the latest advances in heart valve therapies. It's the moment world class training, expert clinical support, and meaningful innovations continue to complement your patient care. This is the moment you partner with Edwards Lifesciences along your path to success.

**Progress Confidently**

Learn more about the history, products, and educational opportunities in this moment.

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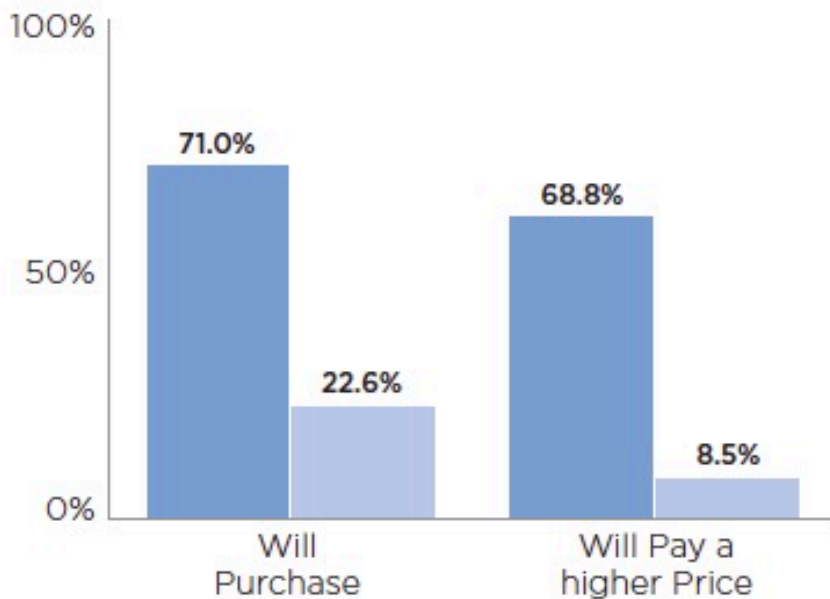
Edwards Lifesciences  
Palo Alto | Irvine | San Francisco | Tokyo | Seoul | Singapore | Stockholm | The Netherlands



# Empathetic B2B brands (ii)

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Likely Purchase Outcomes  
*Buyers Who Do Versus Don't See Personal Value*



n = 3,000

Source: CEB/Motista Survey; CEB analysis

■ See personal value  
 ■ Don't see personal value

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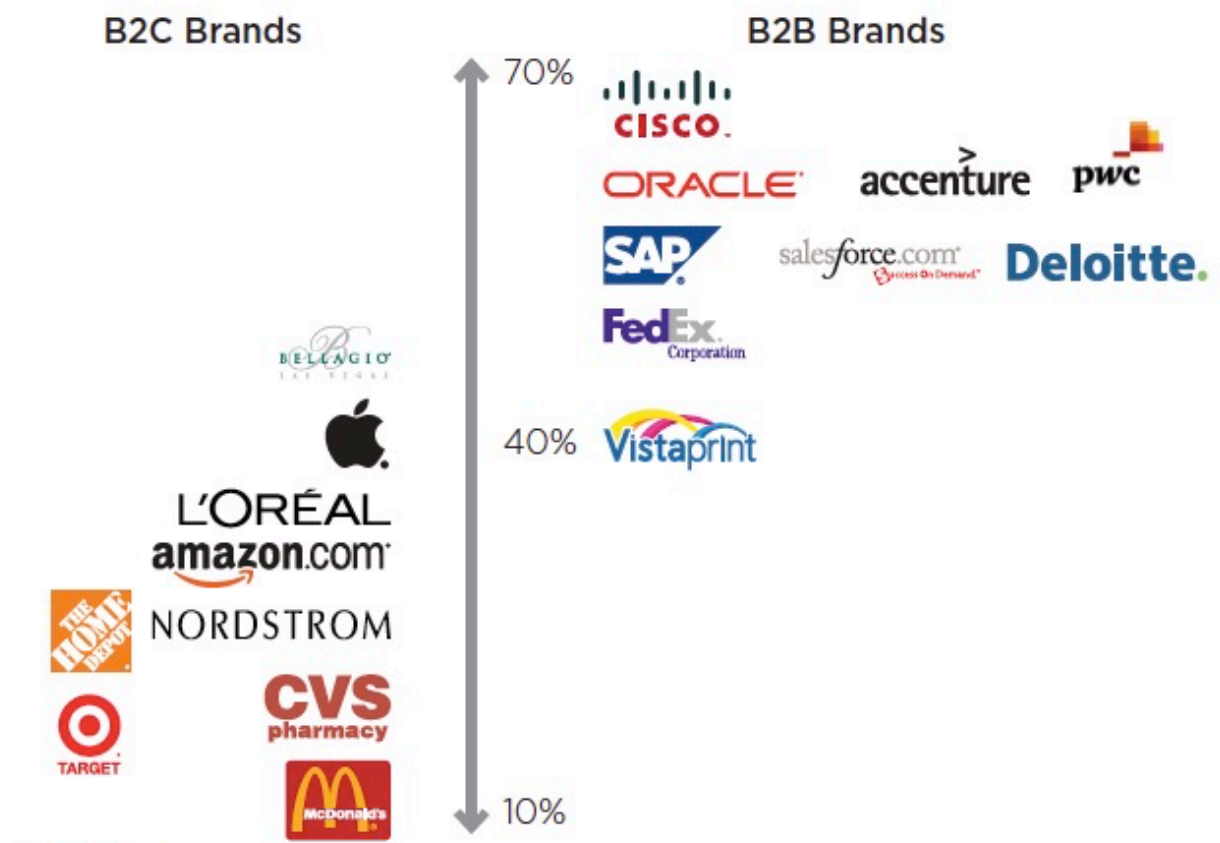




# Emotions in B2C vs. B2B

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Percentage of Customers Who Feel Emotionally Connected to Brands



n = 3,000.

Source: CEB/Motista Survey; CEB analysis.





If you're in doubt....

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