

Spotlight: Whether instigated by Mattel, Microsoft, or Starbucks, legal action over trademark infringements always generate media attention. It is always the proverbial David and Goliath story as these multi-national corporations marshal their legal beagles to repel the assault by some Ma and Pa corner store. Our fascination with these stories is rooted in the apparent disparity between legalities and common sense. Beyond the drama, these cases belay an important question; what gives a brand value?

A primary objective of every enterprise is to differentiate itself from the multitude of other enterprises offering similar products. Protecting the investment made in developing and branding a product is a necessary step in the process. Patents, licensing, trademarks, and copyrights are the tools used to assert ownership rights and to protect these valuable assets from any attempt to infringe upon the differentiating advantages they provide. Through law, control is exerted over who may rightfully use the product and what restrictions are placed upon that use.

This effort, along with the associated marketing activities, is premised upon the assumption that consumers will identify with the brand. Until this happens, all the investments made by the company have generated no value. Consumer adoption is what confers any value to a brand. Now that we have determined the source of a brand's value, a second question arises; who owns the brand?

This is not a legal question of ownership and rather a question about the approach a company can take when considering the brand. While a company creates a brand, once consumers adopt it, the company needs to stop thinking like an owner regarding the brand. The brand now belongs to the customer and the company cannot take decisions regarding the brand unilaterally. The brand truly belongs to the customers and it should only be tampered with after consultation with customers.

The following is the basis of all market surveys. Take a sample of customers, show them new logos and tag lines, and rate the effectiveness of the new possibilities against the current. Advertising agencies have reduced this process to a science. Still, the activities are undertaken from an ownership perspective. The questions behind these surveys are related to market share and annual revenue projections.

From a customer perspective, the question is strictly one of satisfaction. Starting from a perspective of what can be done to increase the satisfaction level of customers aligns any decisions regarding the brand in the appropriate direction. It is a direction of enhancing brand value with existing customers and improving the odds of the brand being adopted by new customers.

Customers are a chatty bunch. Rather than spending time developing clever questions to illicit meaning full responses, spend that time listening to customers and being open to hear what they tell you.

Links: So how do you maximise the value of your brand? Take some pointers from the experts at Brand Finance, www.brandfinance.com. The publications available from the website are a great resource in understanding your brand.

Musings: The story of the invention of Velcro always sparks my imagination. This incredibly useful material resulted from human curiosity discovering how to mimic that which Mother Nature had refined over millennia. What other wonders are awaiting our awareness to grow brighter?

The story of the marketing of Velcro always ignites my disbelief. During the term of the patent for Velcro, the product was supplied in limited colours, under non-negotiable terms, and at price that could be changed without notice. There was one source for the product and if you wanted Velcro, you took it as offered.

Because of ownership rights and the exclusivity of the product, the company believed that it did not need to be responsive to customers. Once the patent expired and other companies could produce Velcro, the product truly began to find its place as a multitude of new customers discovered innovative uses for Velcro.

Even the most differentiating factor in a business last for a brief moment. Staying relevant and sustainable means staying responsive to all stakeholders. Long after a competitive advantage is lost, committed stakeholders will keep a business viable.

Facts & Figures: An example of the power of a brand is illustrated by the sales of the GEO Prizm and Toyota Corolla in the US during 1999. These vehicles are virtually identical, coming off the same production line and having similar levels of distribution and service levels. However, the Corolla trades at an 8% premium and sells double the volumes.

Just For Fun: Read Montague, a neuroscientist at Baylor College of Medicine, recreated the Pepsi challenge while monitoring participants brain activity on an MRI. In blind taste tests, subjects' brains indicated a clear preference for Pepsi, but when they were told which of the samples was which, their brains switched brands showing that our preferences really are all in our mind.