

THE BENEFITS OF CONSISTENTLY MANAGING BRANDS ON A GLOBAL SCALE

Terry Tyrell, European Chairman, Enterprise IG

At Summit 2006 Terry Tyrell, European Chairman, Enterprise IG took a look at the key challenges in creating a winning formula for building brand reputation

The brand is not just packaging or a logo, it is reputation. Like the concept of cool, the brand is all about how others perceive you. The brand is about identity, what we believe in and what we stand for; it is about behaviour, how we act and behave, the relationships we have and experiences people have of us; and, ultimately, it is about performance, what we do and how we deliver it.

In China, collectivism is being replaced by an increasing regionalism and individualism and consequently things are becoming more Americanised. For example, McDonalds has become such a part of every day life that some young Chinese people believe it to be a local brand. It is to the brand's credit that it has adapted to Chinese cultural elements while maintaining the substance of the Western culture.

The options available to us as consumers today are so great and the differences between them so small that we need or rather desire branding to help us to differentiate. If possible, it's important as a brand to maintain one central idea. This is something that The Body Shop has managed to do for decades so it will be interesting to see if this can be maintained now it has been bought by L'Oreal.

As well as addressing the issue of differentiation, brand owners must now win over increasingly cynical consumers who are losing trust in brands in general. Brands have always had to be compelling but now they have to be true as well. People now demand that brands are transparent and authentic.

However, being both compelling and true isn't as simple a proposition as it may seem. The losers over-promise on something that isn't relevant in the first place, while the posers promise more than they deliver and risk being exposed as the relationship between brand owner and consumer matures. Meanwhile, the geeks have a genuine passion for the business but are out of touch with the market and can't translate their knowledge into success. And so it is the leaders who are left standing by delivering on engaging promises that enable them to build deep and sustainable reputations.

But even the very question of authenticity is not as clear as it could be. For example, the liqueur Baileys, ostensibly an Irish brand, was actually named almost at random after a hotel in London. The cream in the drink is made with milk from Irish cows but it does raise the question of what authenticity really is.

In future, brands must be compelling to get noticed, but they must be truthful to survive. The world is changing, fakes are being exposed and artificiality will not be tolerated. Only brands that are true to their beliefs, that are authentic, will prosper.