

# The Value of Brand Management

*European Youth Card Association EYCA  
General Assembly  
Barcelona  
26 October 2007*

*Max Meister, Senior Partner  
Branding-Institute Inc.*

# Max Meister

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([www.branding-institute.ch](http://www.branding-institute.ch))  
*Consulting in Corporate Brand Management and Branding.*  
*Current customers: Novartis, British Telecom, Swissscancer et al.*
- *Lecturer at the Universities of Applied Science in Zurich, Freiburg and Guest Lecturer at the University of Berne.*  
*Fields: Marketing, Corporate Brand Management and Business Communication*
- *Director of research projects in the fields of "Brand Management" und "Brand Valuation"*

# The Value of Brand Management

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# Prologue

• *“We have an internal barrier to overcome which is the perception that branding is for the crass commercial world. We live in the world of No Logo publication. So it's not our daily bread and there was the internal challenge to overcome prejudice.”*

• *Marjorie Newman-Williams, former UNICEF director of communications*

# Agenda

- *Theses of the speech*
- *What is a Brand?*
- *Differences between NGO and Corporate Brands*
- *What can a strong brand deliver?*
- *Concept of Integrated Brand Management*
- *Branding Success factors for EYCA*

# Theses

*I) Today, there isn't much of a difference in branding between for-profit and not-for-profit companies*

*II) EURO<26 has to be managed more like a Corporate than a NGO brand*

# What is a brand (I)

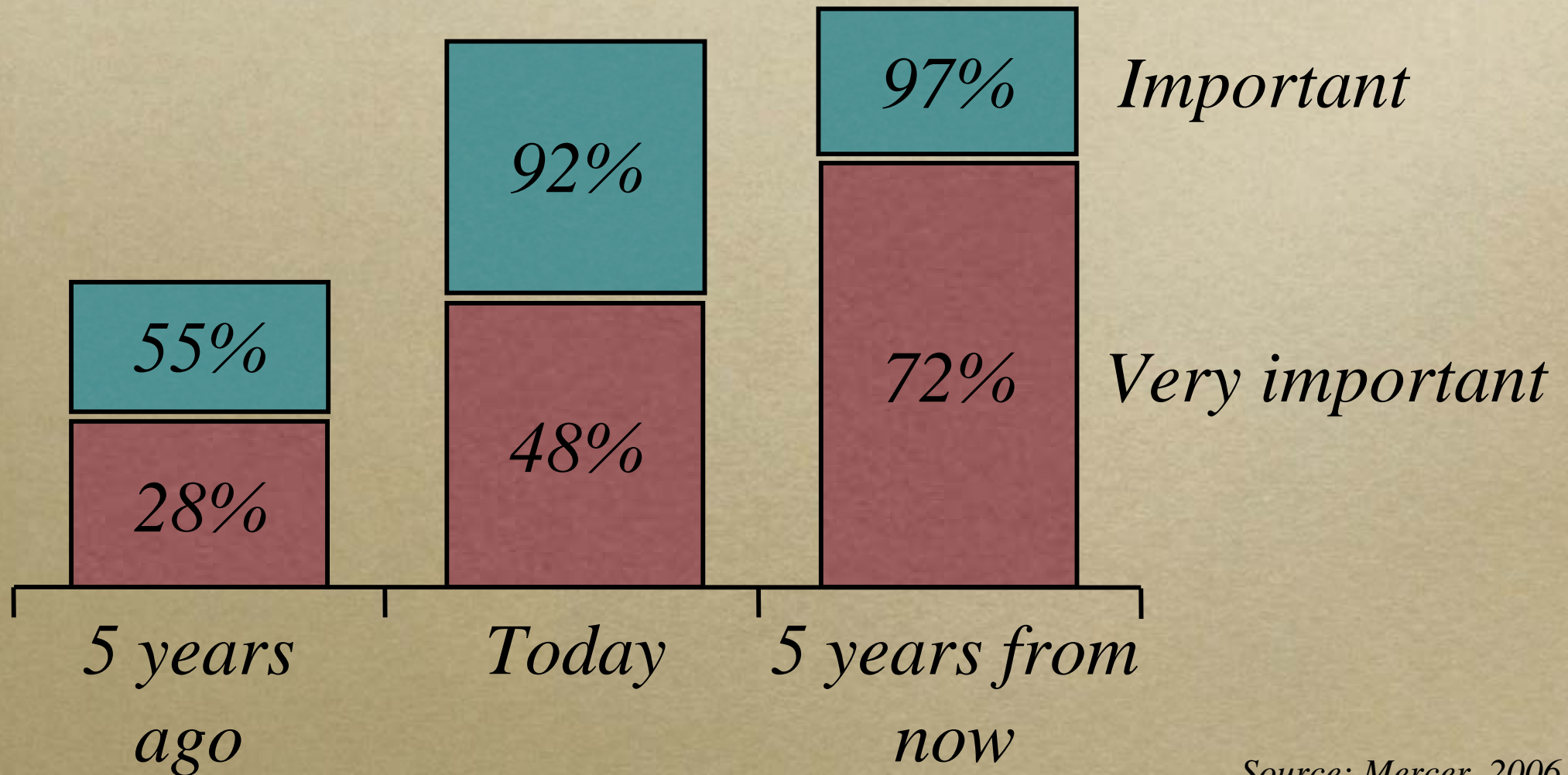
- *“A brand is a collection of perceptions in the mind of the consumer.”*

- *Kevin-Lane Keller, Tuck University, US*

# What is a brand (II)

- *The sum of your audiences' feelings and beliefs (conscious & unconscious) about your:*
  - *Products / Services (what you do)*
  - *Promise (what you deliver and how)*
  - *Uniqueness (how you are different)*

# Importance of the brand to company success



Source: Mercer, 2006

# Finding I

*The brand relationship becomes  
THE competitive advantage.  
It becomes  
THE core competence of success*

# Differences between NGO and Corporate Brands



- *Purposes and objectives*
- *Communication spending*
- *Definition of the product*
- *Complex social network*
- *Organizational structure*






## Supported by:



COUNCIL OF EUROPE  
CONSEIL DE L'EUROPE



European Commission

### *The Basics*

- 4,000,000 cardholders
- 40 countries
- 61 card organisations
- 100,000 discounts
- 13 cardholder magazines
- 33 websites

### *The Aims*

- Youth Mobility
- Youth Information
- Youth Participation





# EYCA Structure

*Association: member-countries in control*

*Members: mix of structures:*

- government bodies*
- private / charitable foundations*
- existing youth organisations*

*European Office in Budapest*

- 5 full-time staff servicing card organisations*
- 11 part-time board members across Europe*

# Differences between NGO and Corporate Brands



- *Purposes and objectives*
- *Communication spending*
- *Definition of the product*
- *Complex social network*
- *Organizational structure*

# Organizational structure of EYCA

## EYCA Member Organisations

The youth card organisations and members of EYCA all have their own characteristics. Each youth card is independent but, in order to be a member of EYCA and issue the EURO<26 youth card, must respect common rules and

sletter!



# Organizational structure of EYCA

A map of Europe with 41 countries highlighted in yellow, representing the countries where the EYCA family is welcomed. The highlighted countries include Spain, Portugal, France, Germany, Poland, Czech Republic, Slovakia, Austria, Hungary, Switzerland, Italy, Greece, Turkey, and various countries in the Balkans and Eastern Europe.

This makes for a rich mix of member card organisations. Some are formed specifically to promote and develop the EURO<26 card, some are linked to existing organizations (eg. the national youth hostel association, youth information services, or youth travel specialists.) All have the backing of their government's youth ministry, education department, or equivalent.

Most youth cards are operated by young, small and flexible organisations that understand how to create an attractive mix of information, services and products.

In doing so, they have learned to operate with funding from different sources: card sales, public or governmental agencies and commercial sponsors.

What unites the EYCA family is a shared vision of EURO<26 playing a key role in the future of young people in Europe.

**Welcomed in 41 European countries**  
**Issued by 62 national and regional youth card organisations**  
**Used by over 4,3 million young people**

# Differences between NGO and Corporate Brands



- *Purposes and objectives*
- *Communication spending*
- *Definition of the product*
- *Complex social network*
- *Organizational structure*

# What can a strong brand deliver?

- *Brands are able to build confidence between the company and their stakeholders*

# Corporate Branding

*...is a cognitive representation of a company's ability to meet the expectations of its different stakeholders*

*...describes the rational and emotional attachments that stakeholders form with a company and its corporate brand*

# Corporate Brand Management System

PUBLIC MARKET

P  
U  
B  
L  
I  
C  
  
M  
A  
R  
K  
E  
T



P  
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T

PUBLIC MARKET

# Finding II

The setting of the relationships between the company and their stakeholders is a strategic duty of the management.

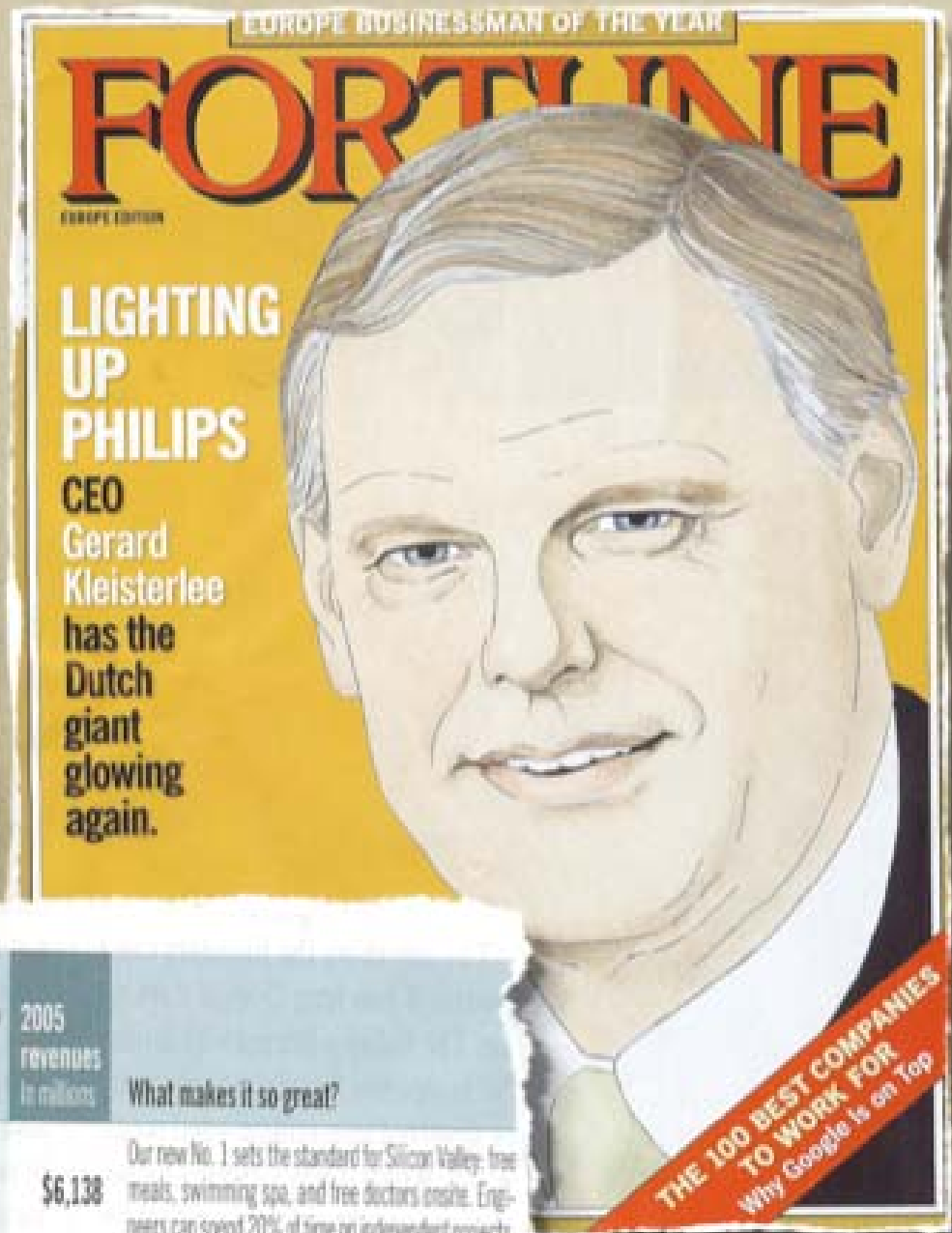
Therefore communication is no longer recognized as an operational assistant but as a strategic management steering tool.

# What can a strong brand deliver?

- *Brands are able to build confidence between the company and their stakeholders*
- *A strong brand attracts the best talent*

## JUMP AROUND!

Life for Google employees at the Mountain View campus is like college—with hotter cars.



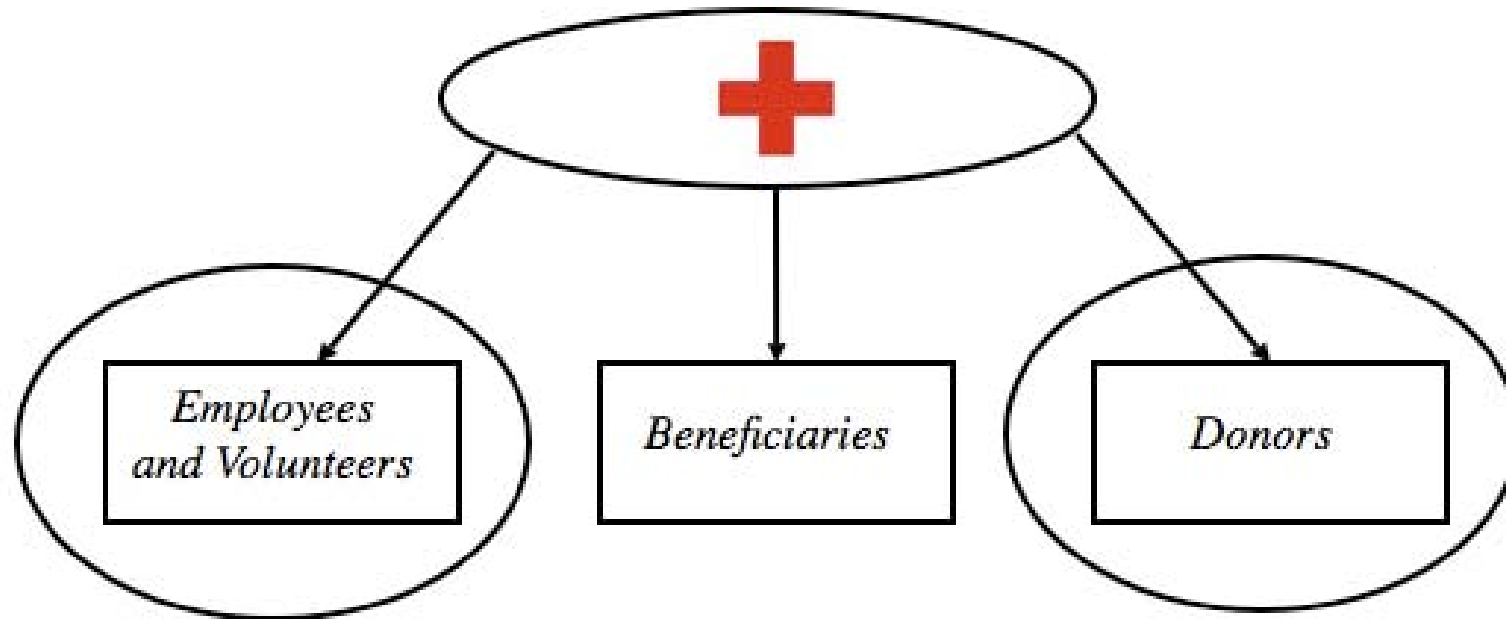
Rank (last year)	Company	Headquarters (U.S. sites)	Website	Employees: U.S. Outside U.S.	% Minority % Women	Job growth New jobs (1 year)	Job applicants Voluntary turnover	Training Hours/year	Average annual pay: <sup>a</sup> Salaried Hourly	2005 revenues In millions	What makes it so great?
1	Google <sup>b</sup>	Mountain View, Calif. (16)	www.google.com	6,500 3,000	36% 37%	67% 2,229	1,145,000 N.A.	100	N.A. N.A.	\$6,138	Our new No. 1 sets the standard for Silicon Valley: free meals, swimming spa, and free doctors onsite. Engineers can spend 20% of time on independent projects. No wonder Google gets 1,300 résumés a day.

# Most admired companies in Switzerland for employees

CHGS	BUSINESS			
	2006		2005	
	Rank	Apply	Rank	Apply
UBS	1	28.55%	1	23.00%
Credit Suisse	2	18.80%	3	13.84%
Nestlé	3	15.26%	2	16.57%
PricewaterhouseCoopers	4	10.70%	5	10.92%
Procter & Gamble	5	8.55%	6	8.10%
L'Oréal	6	8.19%	12	5.10%
Novartis	7	7.87%	7	5.94%
McKinsey & Company	8	7.68%	11	5.14%
Ernst & Young	9	7.27%	4	10.99%
KPMG	10	6.10%	9	5.30%
Swatch Group	11	6.07%	20	3.17%
Kuoni	12	5.07%	25	2.62%
<b>IKRK (Internationales Komitee vom Roten Kreuz)</b>	<b>13</b>	<b>5.04%</b>	<b>14</b>	<b>4.45%</b>
Swisscom	14	4.99%	15	4.36%
Roche	15	4.97%	30	2.39%
Bundesverwaltung	16	4.86%	13	4.82%
Migros	17	4.84%	10	5.17%

# Success factors

*Public opinion*



Central success factor of the Red Cross  
Movement is:

**Trust and Confidence**

# Success factors

*For employees:*

- *Work for the ICRC is challenging*
- *Well defined values and scope of action*
- *Concrete actions to improve state of those who need it most*
- *Long lasting reputation of the movement*
- *Independence and universality in action*
- *Possibility to meet new cultures*



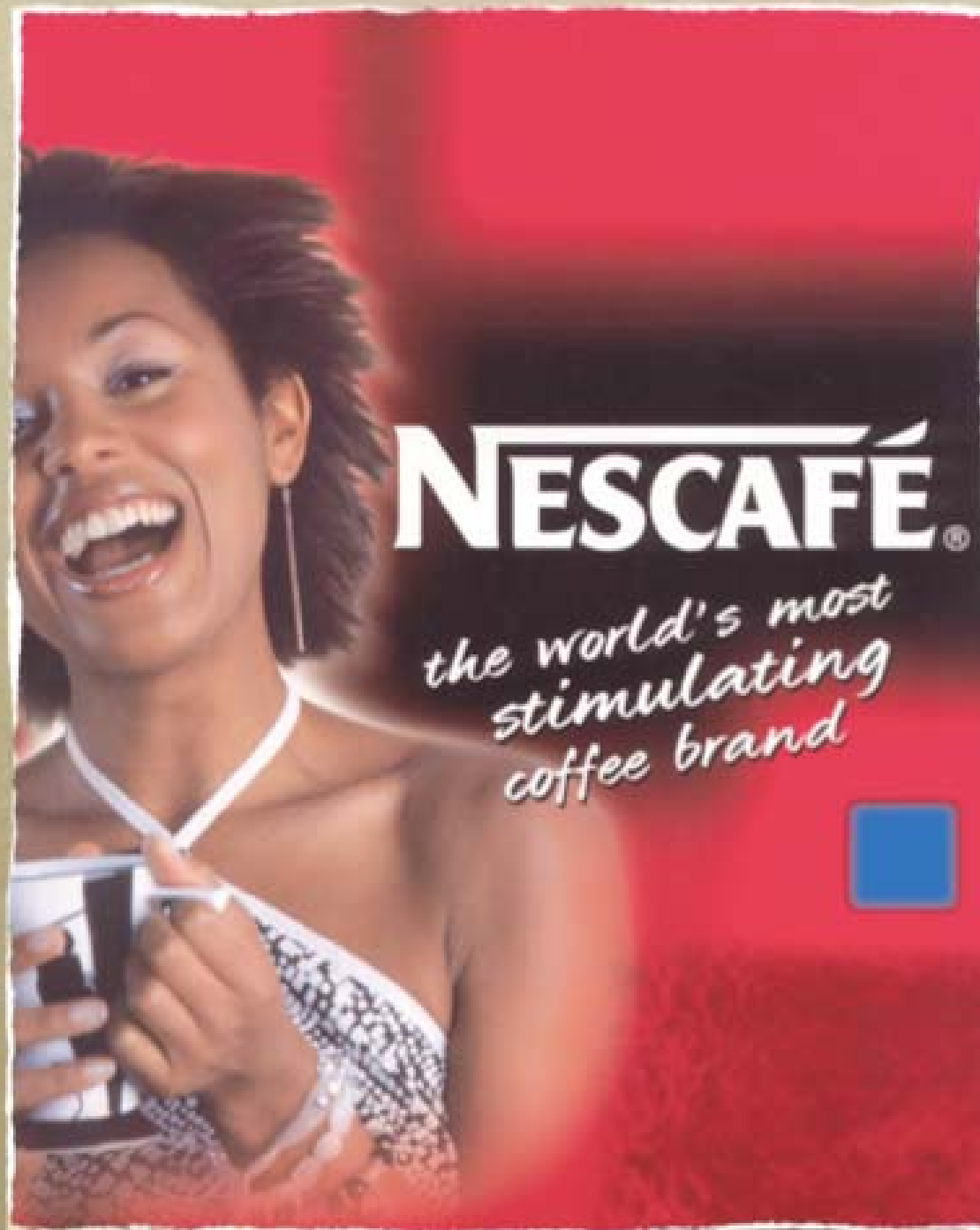
# What can a strong brand deliver?

- *Brands are able to build confidence between the company and their stakeholders*
- *A strong brand attracts the best talent*
- *Successful brands have a personal acceptance for their customers*

BEST PRACTICE

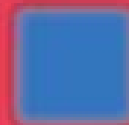
BRAND MANAGEMENT

*Nescafé*



**NESCAFÉ®**

*the world's most  
stimulating  
coffee brand*

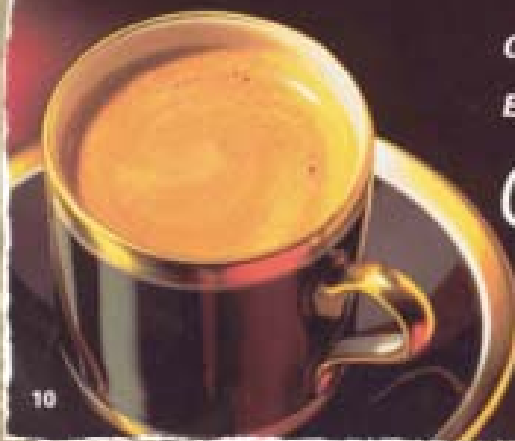






What uniquely defines  
the NESCAFÉ product  
experience

Rich, aromatic, flavourful. Frothy, intense and indulgent. Bold and satisfying. Every stimulating sip is truly satisfying. Every cup is the result of an understanding of consumer beverage habits and trends. The best consumer insights drive our innovation / renovation programme. Every product will always be preferred 60/40 over its competitor.



*Our NESCAFÉ Product*

*Experience will always deliver*

*Great tasting  
coffee*



*What is the benefit  
that we uniquely provide  
to the consumer?*

NESCAFÉ is amazing. Its magic goes beyond the taste. It is eye opening. Thought provoking. Soothing. It stimulates physically, mentally and emotionally. NESCAFÉ is always in the middle of life. It touches all senses, it makes every mood and every occasion better. It gives pleasure to individuals as well as groups.



*The Benefit of  
NESCAFÉ Coffees is*

*Stimulation  
and Pleasure*



*What do we as  
a company uniquely  
bring to coffee?*

Passion is what drives our people to leverage their product and technical know-how to bring consumers the best coffee experiences. Every cup of NESCAFÉ is the result of proprietary development systems. We take care to procure, classify and then extract the best flavour from the best beans. Our global network of R&D specialists constantly improves taste, aroma and create new ways to enjoy coffee. Our quality control procedures ensure product consistency and our global coffee production specialists ensure fast, fresh delivery to market. For over sixty years, nobody has done more for coffee than NESCAFÉ.

*Our Company will be known for its*

*Coffee Passion  
and Know-How*



**Consumer**

*What consumer  
spirit do we  
uniquely celebrate?*

NESCAFÉ knows no two coffee lovers are alike. That's why NESCAFÉ lets people enjoy coffee - and life - in their own way, on their own terms. We make coffees that fit everyone's lives, needs and desires. Coffees made to their tastes, in their time, in their place. And nobody understands the many different coffee cultures around the world better than NESCAFÉ.

*NESCAFÉ celebrates our Consumers*

*Individuality*

## What is the essence at the core of the NESCAFÉ brand?

The combination of all that we are striving to achieve with the four pillars requires a spirit or driving force which sets us apart from our competitors. The NESCAFÉ Brand Essence which underpins everything we do is defined as

# «Stimulating»



As a product and as a brand, NESCAFÉ stimulates enjoyment, sociability, inspiration, intimacy, fun, vitality.

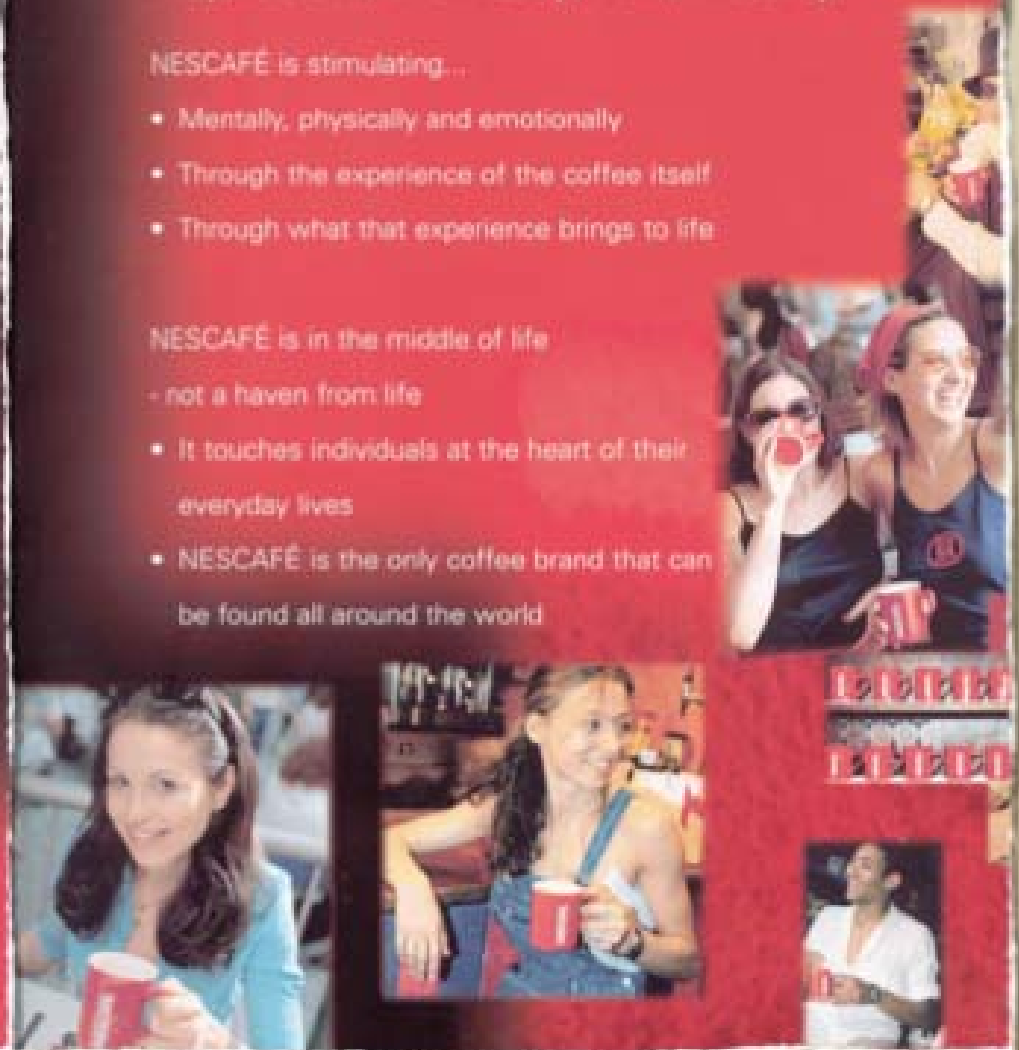
NESCAFÉ is stimulating...

- Mentally, physically and emotionally
- Through the experience of the coffee itself
- Through what that experience brings to life

NESCAFÉ is in the middle of life

- not a haven from life

- It touches individuals at the heart of their everyday lives
- NESCAFÉ is the only coffee brand that can be found all around the world





# The Brand DNA Components are:

*Visual Code*

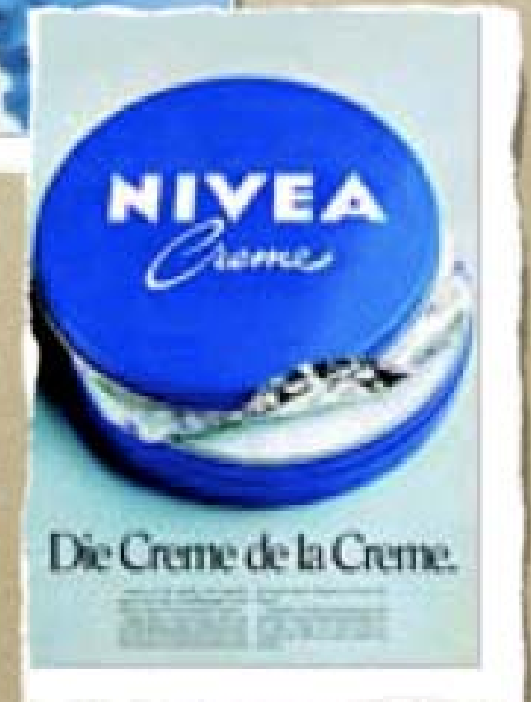
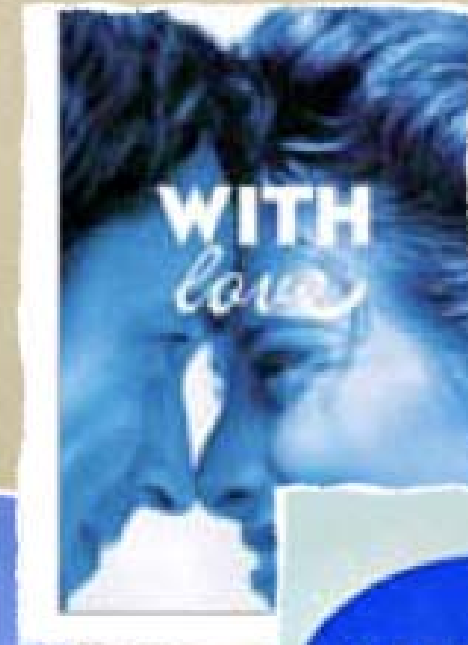
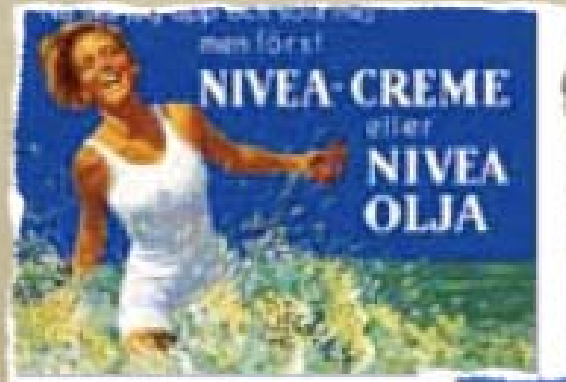
*Verbal Code*

*Acoustic Code*

*Wording / Language Code*

*Color Code*

# Evolution vs. Revolution



**NIVEA Aromabäder**  
...NUR NOCH GENIEßEN.

**NIVEA**  
Blue Care

WIRD AUS WASSER WIRD FREI.

**APFEL FLAVON**  
Intensive Pflege

**DIE DREIFACH WIRKLICHE  
INTENSIVPFLEGE FÜR REIFE HAUT.**

1. intensive Feuchtigkeit
2. intensive Elastizität
3. intensive Regeneration

**NIVEA**

**LÄNGER JUNG AUSSEHEN  
JETZT IST DER CODE GEMACHT.**

**APFEL FLAVON**  
Intensive Pflege

**NIVEA**

**GENAU  
DAS RICHTIGE  
WETTER  
ZUM BRAUN  
WERDEN.**

**NIVEA**  
Sun

**SO STILLT MÄNNERNAHT IHREN DUST.**

**APFEL FLAVON**  
Intensive Pflege

**NIVEA**

**Kraft** in ihrer  
schönsten Form.

**APFEL FLAVON**  
Intensive Pflege

**CA-  
CALCIUM VITAMIN COMPLEX**

**NIVEA**

# Important role of the organization

• *“To protect and moreover to steer a brand worldwide, it is essential to have a centralized, strong brand management which ensure and control the branding processes in every country. The brand is the glue holding the components of the global organization together.”*



• *Thomas-B. Quaas, CEO Beiersdorf Inc.*

# Important role of the organization

# Finding III

*Successful Branding  
feels like it all comes  
from one author*

# EURO<26



# EURO<26



# EURO<26



# EURO<26



# The Brand DNA

## *Best Practice NGO: Habitat for Humanity*

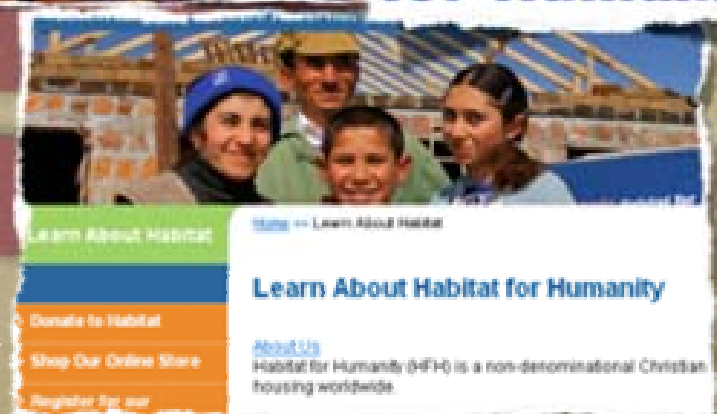
*Visual Code*

*Verbal Code*

*Acoustic Code*

*Wording / Language Code*

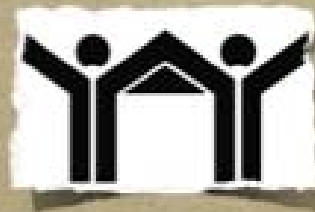
*Color Code*



# Key Success Factors



- *A strong brand positioning*
- *Unique mission and positioning*
- *Organizational embedded brand*
- *Brand Evolution Process*



# Statement



• *“A strong brand is at the center of our fundraising from so many small donors. But the tremendous value of Habitat’s brand name has grown slowly and depended on the organization’s stability.”*

• *Lyn Jensen, Chief Financial Officer*

# The process of Brand Management implies that its practitioners understand:

- *The identity of the corporation*
- *How to project a coherent set of images based on that identity*
- *To elaborate the possible attractive value fields as core values for the brand*
- *At the of the day, there will be a crucial question in brand management:*

- ***Evolution vs. Revolution***

# What can a strong brand deliver?

- *Brands are able to build confidence between the company and their stakeholders*
- *A strong brand attracts the best talent*
- *Successful brands have a personal acceptance for their customers*
- *A strong brand pays off financially*

# Brand Valuation

						Interbrand	
2007 Rank	2006 Rank	Brand		Country of origin	Sector	2007 Brand Value (\$m)	Change in brand value
1	1	Coca-Cola		US	Beverages	65,324	-3%
2	2	Microsoft		US	Computer Software	58,709	3%
3	3	IBM		US	Computer Services	57,091	2%
4	4	GE		US	Diversified	51,569	5%
5	6	Nokia		Finland	Consumer Electronics	33,696	12%
6	7	Toyota		Japan	Automotive	32,070	15%
7	5	Intel		US	Computer Hardware	30,954	-4%
8	9	McDonald's		US	Restaurants	29,398	7%

Source: Interbrand, 2007

Max Meister, Branding-Institute Inc.

# Brand Valuation

- *“We have to be clear that our brand has a high value and not sell it cheap or devalue it through our behavior or activities that are just off the mark.”*

- *Marjorie Newman-Wiliams, former UNICEF director of communications*



# What are the advantages of a brand valuation?

- *Opens the doors for business opportunities*
- *Determines spending on marketing and helps to explain the power of the brand*
- *Internally: budgeting the funds and human resources*
  
- ***Conclusion:** The more nonprofits understand the value of their brand, the better are the possibilities of steering the brand externally and internally*

# Brand Values from Interbrand



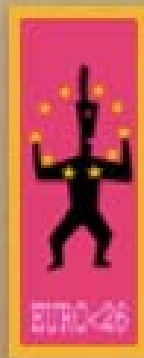
•*USD 65 Billion*



•*USD 2 Billion*

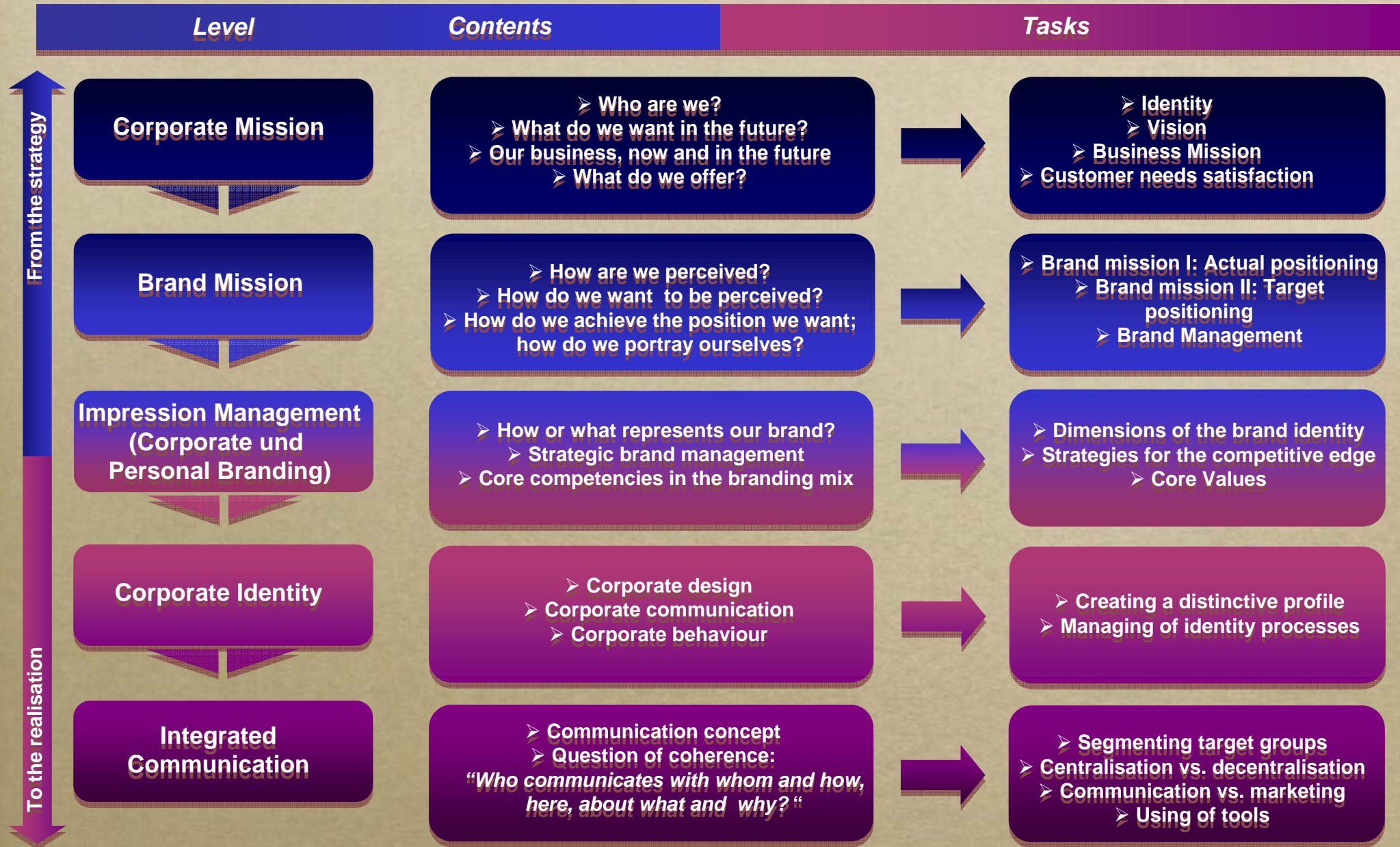


•*USD 1.8 Billion*



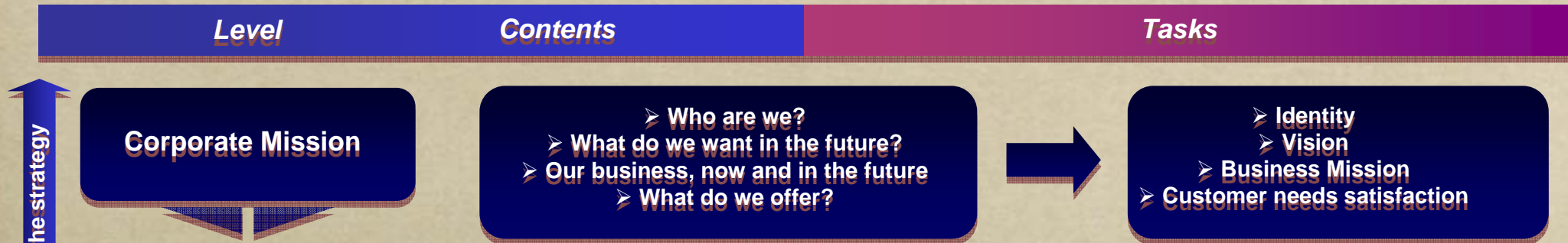
•*USD 129 Million*

# Integrated Brand Management



Source: Prof. Marco Casanova, Integrated Brand Management concept

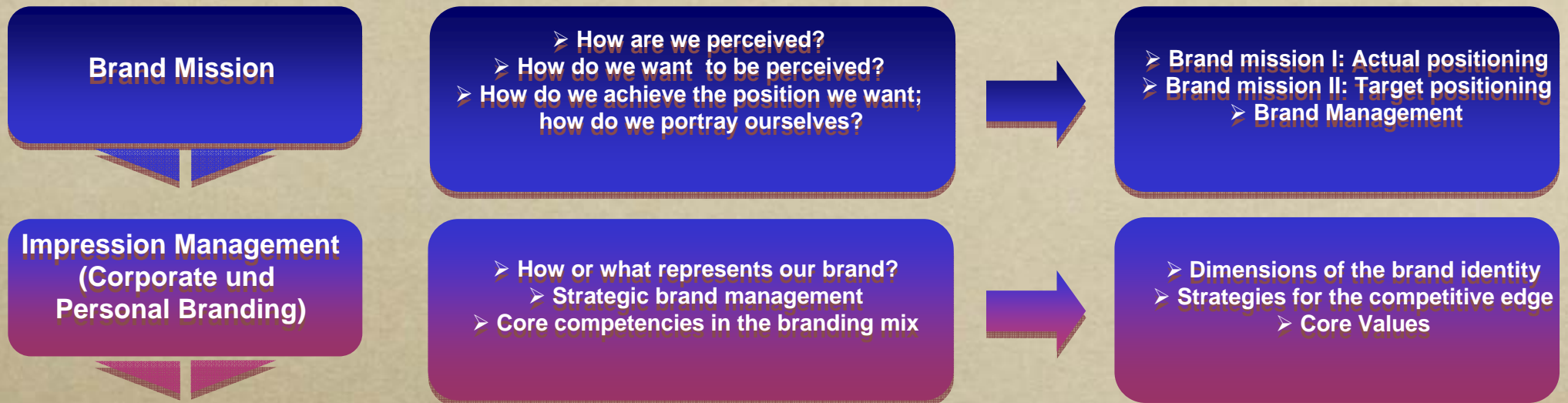
# Integrated Brand Management



- *“The European Youth Card Association (EYCA) aims for EURO<26 to remain the most widely used and recognised discount card amongst an ever growing number of young people in Europe.*
- *We aim to provide young people with a variety of high quality information services to help them make informed choices.*
- *We aim to promote travel amongst young people and encourage them to participate in society and to be culturally aware.*
- *We aim to support our members to achieve a high quality standard and to involve them in the work of the Association.”*

Source: [www.eyca.org](http://www.eyca.org)

# Integrated Brand Management

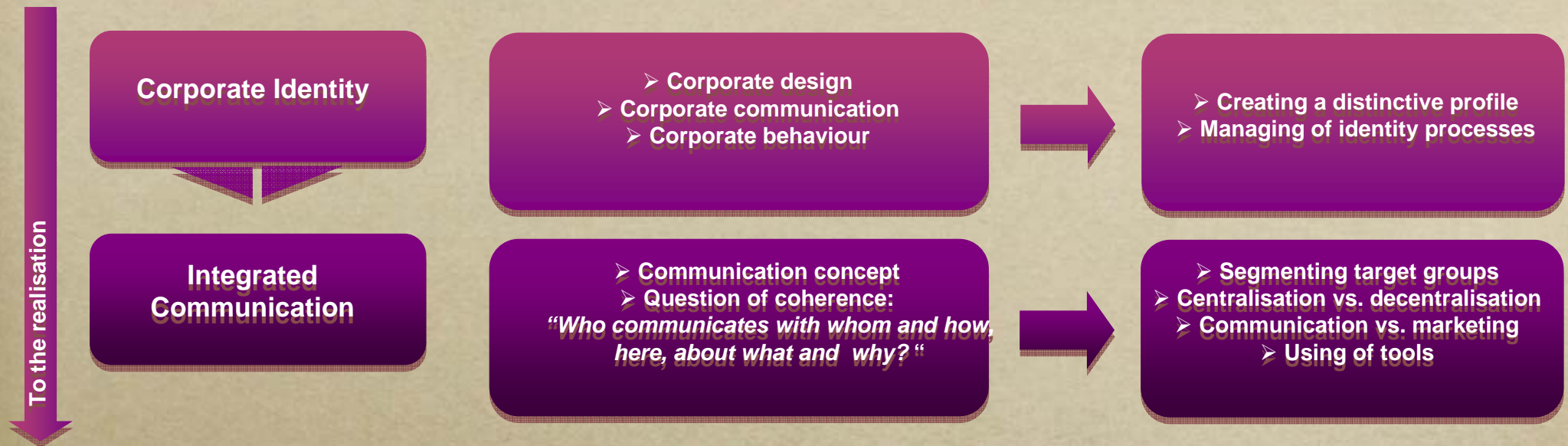


*Is there an existing gap between the actual and the target positioning of EURO<26?*

*What are the (worldwide) core values of EURO<26?*

*Who or what represents our brand?*

# Integrated Brand Management – *our* concept



*Do we have Corporate Design manuals which reflect the actual and target positioning?*

*Does EYCA have a centralized communication unit which steers the brand over the organization?*

# Branding Success factors for EYCA

- *Evolution vs. Revolution*
- *Successful branding comes from one author*
- *Corporate Behavior*
- *Brand Valuation - Exploit the potential of your brand*

# Theses

- I) *Today, there isn't much of a difference in branding between for-profit and not-for-profit companies*
  
- II) *Euro<26 has to be managed rather like a Corporate than a NGO Brand*

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Q & A