

Top Taiwan Global Brands 2010

Ranked by brand value

Creating and managing
brand value™

Interbrand



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Top Taiwan Global Brands 2010

The key to success for all brands is in understanding their customers' lifestyles, changing attitudes, and the impact of digital platforms and social networks to generate much needed deeper levels of brand loyalty.

Interbrand is delighted to collaborate with TAITRA and BusinessNext magazine for the eighth year to develop the Top Taiwan Global Brands league table.

The past year has been a remarkable comeback. The global economy is stabilizing and the financial services sector recovering. The auto industry appears to be caught in a renaissance and an insatiable appetite for smartphones has turbo-charged both the telecoms sector and virtually anything related to the Internet. Adding to this is the growing awareness of and need for social and environmental responsibility.

Back in 1999, B. Joseph Pine and James H. Gilmore wrote a book called *The Experience Economy*. Their thesis was simple: We had moved from commodity, to product, to service, and had arrived in the age of the experience. Now, almost a decade later, experience is no longer enough. Brands not only should, but are expected to engage with their customers, who are living, breathing business assets. A "relationship economy" has emerged which sees the overlap between people and technology. Customer feedback is the essential catalyst in this relationship economy. Digital applications and social media outlets have flooded the internet with conversation. Consumers can respond, provide feedback, and criticize, all with just a click of their mouse or touch of their mobile device. A picture, product review, complaint, and much more can be posted online. There are multiple avenues through which a customer can provide feedback instantaneously, and they expect the brand to do the same.

The other component of the relationship is brands responding to their customers. This delicate task requires brands to respond right away with relevance and sincerity, or risk compromising the relationship. Some brands are beginning to master this art, and those that do will undoubtedly cultivate a deeper, more intimate understanding of who their consumers are, what they want, and how to best provide that. The key to success for all brands is in understanding their customers' lifestyles, changing

attitudes, and the impact of digital platforms and social networks to generate the much needed deeper levels of brand loyalty.

Interbrand has been undergoing an exhaustive review of its Brand Valuation methodology, based upon the dynamic nature of the marketplace. Interbrand will be using the revitalized brand valuation methodology to study the Top Taiwan Global Brands from 2011. Principally, our methodology remains the same; a financial forecast of Brand Earnings discounted to a net present value using our proprietary model that assesses the opportunities and risks to the brand. The area that will change is the brand strength score, where we will introduce new factors to account for major shifts in branding. We will consider components associated to changes in the social and economical environments, such as social responsibility, product design and social media. It is also necessary to consider the increasing pressure for ROI in the corporate world.

We are proud to announce that the Top Taiwan Global Brands league table has grown by 7.9%. Taiwan's brands are well-positioned to take a place among the world's 100 most valuable brands and it is only a matter of time before we see a Taiwanese brand on Interbrand's Best Global Brands list. I would like to congratulate all the brands in our study and wish them continued success with their brand-building efforts.



Julian Barrans
Managing Director of
Interbrand Singapore



About Interbrand

Interbrand began in 1974 when the world still thought of brands as just another word for logo. We have changed the dialogue, defined the meaning of brand management and continue to lead the debate on understanding brands as valuable business assets.

We now have nearly 40 offices and are the world's largest brand consultancy. Our practice brings together a diverse range of insightful right – and left – brain thinkers making our business both rigorously analytical and highly creative. Our work creates and manages brand value for clients by making the brand central to the business's strategic goals.

We're not interested in simply being the world's biggest brand consultancy. We want to be the most valued.

About TAITRA

The Taiwan External Trade Development Council, or TAITRA, is the foremost non-profit trade and investment promotion organization in Taiwan, founded in 1970. Jointly sponsored by the government and by various commercial and industrial associations, TAITRA helps Taiwan's business enterprises reinforce their international competitiveness and cope with the challenges they face in global markets. In addition, TAITRA undertakes initiatives to assist foreign businesses in establishing a wider presence in Taiwan.

Over the past decades, TAITRA has developed a well-coordinated trade promotion and information network, composed of over 600 trained specialists stationed at its headquarters in Taipei, in four local branch offices – in Hsinchu, Taichung, Tainan, and Kaohsiung, and in nearly 50 representative offices around the world.

In association with its sister organizations, the Taiwan Trade Center, Inc. (TTC) and the Taipei World Trade Center (TWTC), TAITRA continues to do everything possible to adapt its trade promotion strategies to changing international trends and conditions. TAITRA's major functions include Market Development, Strategic Marketing, Trade Information Services, Exhibitions, Convention Services, Trade Education, and Taiwan Trade (an e-Trading Hub service).

About Top Taiwan Global Brands

Interbrand's eighth Top Taiwan Global Brands ranking uses the same brand valuation methodology as our Best Global Brands report. Published annually, Top Taiwan Brands ranks the top 20 Taiwan brands according to value and provides insight into their ability to manage brands effectively as a contributor to business performance.

Interbrand pioneered the technique for valuing brands in 1984 and has continued to improve upon our methodology. Our valuation techniques have long been recognized by businesses, academics, and regulatory bodies as uniquely valuable strategic tools. Our annual Best Global Brands report, published in partnership with *Businessweek*, has been voted one of the three most influential benchmark studies by business leaders. As a firm, we have conducted over 5,000 valuations for clients around the world to provide guidance in managing their most valuable asset – their brand.

The Interbrand method for brand assessment

Interbrand has valued over 5,000 brands covering every business sector, around the world, over the last 20 years and retains a clear position as discipline leader and innovator. This wealth of practical knowledge provides the basis for all of our league tables, at a global and market specific level.

In order to arrive at a particular ranking, we first establish clear criteria for inclusion. This ensures we have the required information to complete the valuation and that the brands conform to the geographic or industry specific nature of the study.

For the Top Taiwan Global Brands study, Interbrand formed a specific set of criteria:

- The brand owner must be a publicly traded company
- The brand has to be originated by Taiwanese companies, and owned by Taiwanese companies or by a company headquartered in Taiwan. The reference to "Taiwanese companies" also includes overseas associate companies within its group
- The brand has to have at least one-third of brand revenues generated outside of Taiwan
- The brand must have at least 20% of revenues from its own brand versus OEM

For brands that do meet the criteria, we next look at the current financial health of the business and brand, the brand's role in creating demand, and the future strength of the brand as an asset to the business. This method is defined on the opposite page.

Financial Analysis

We begin by forecasting the current and future revenue specifically attributable to the branded products. We subtract operating costs from this revenue to calculate branded operating profit. We then apply a charge to the branded profit that is based on the capital a business spends, versus the money it makes. This gives us a business's economic earnings.

All financial analysis is based on publicly available company information. An estimate for financial reporting is established from a wide range of analysts' reports.

Role of Brand Analysis

This is a measurement of how the brand influences customer demand at the point of purchase. This is applied to the economic earnings to arrive at the revenue that the brand alone generates (Branded Earnings). We use in-house market research to establish individual brand scores against our industry benchmarks to help us define the role a brand plays within the category. For example, we know that Role of Brand is traditionally much higher in the luxury category than in the energy and utilities sector. The brand, not the business, is unarguably the principle reason why consumers choose these goods and services.

Brand Strength Score

Since we view brands as assets, when valuing them, we need to assess their ability to secure future earnings on behalf of the businesses that own them. Brand strength is a measure of the brand's ability to secure that demand, and therefore earnings, over time. Securing customer demand typically means achieving loyalty, advocacy, favourable levels of customer trial, and in many cases, maintaining a price premium.

Our method generates a discount factor that adjusts the forecasted brand earnings for their riskiness based on the level of demand the brand is able to secure.

We calculate brand strength by assessing the brand's performance against a set of critical dimensions.

Through this analysis, we also develop deep insights about how a brand creates value and what it can do to increase that further.

Brand Value

A brand's value is a financial representation of a business's earnings due to the superior demand created for its products and services through the strength of its brand.

Brand value is the absolute financial worth of the brand as it stands today. Accordingly, the brand's value can be compared to the total value of the business. For example, as it would be assessed on the stock exchange.

Brand value can also be compared to other tangible and intangible assets owned by the business. We adjust the business's earnings based on future risk to the strength of the brand (i.e., a net present value or dollar value in today's money). In doing so, brand value becomes a key performance indicator for brand strategy and serves as the overall performance measure for all branding activity and investments.

Brand Revenue

- Operational costs
- Taxes
- Costs of capital

Economic earnings



Brand Earnings

The revenue that the brand alone generates



Brand profits

Revenue exclusively generated by the brand.

Brand Earnings	Brand Strength
	Market Stability
	Leadership
	Trend
	Support
	Geography
	Protection
Net Present Value	





Taiwan brands: charting a global course

by Ryan Chanatry

While the global economy made only partial steps towards recovery in 2009, the companies on the 2010 Top Taiwan Brands table delivered impressive growth, regaining any footing lost from the 2009 rankings.

After the Top 20's collective brand value declined by 5% in the 2009 rankings, they have returned strong in 2010, with 7.9% growth. This is all the more impressive considering that Taiwan's GDP growth for 2009 was negative.

The fact that value has grown in the face of economic uncertainty demonstrates the importance brand plays in reducing volatility and maintaining financial stability. Interbrand's Best Global Brands have shown year on year that the strongest brands outperform the MSCI World Index and the S&P 500 even during turbulent business conditions. Throughout such instability, consumers still need to buy products and services, although in different patterns.

Strong global brands recognize these changing patterns and are well positioned to adjust to shifting shopper needs, staying ahead of the competition and picking up both mind and market share. Brand led organizations are able to make adjustments because they are locked onto their customers' shifting perceptions and attitudes, their employees are engaged and committed, strategies for innovation and growth are well defined, and the brand is fully in sync with business strategy.

The brands on the Top Taiwan table responsible for the growth this year represent a wide variety of industries, products, and services. From the usual tech suspects to tech supporters, from wheels, lamps, and bicycles, to food and snack kings, Taiwan's top brands are becoming global competitors and challenging industry mainstays.

The specific industries driving 2010's growth in value were technology and food. Even as consumers have closely guarded their wallets, they have not stopped spending on the latest mobile phones, gadgets, and snacks. While extravagant computer purchases were few and far between, increased spending on netbooks and mobile phones have helped drive the fortunes of Acer, HTC, and Asus. The continued growth of China and the gradual rise in income levels have propelled the products of Master Kong, Want-Want, and Uni-President into more homes.

Consumers have not stopped spending on the latest mobile phones, gadgets, and snacks.

Top Taiwan Tech

As in previous years, Taiwan's expertise in technology accounts for a significant portion of the Top 20's brand value. Acer, HTC, and Asus, having increased their value collectively by US\$334 million since 2009, are now worth a combined US\$4 billion. This increase in value comes as all three brands have taken significant steps to raise awareness among consumers around the world.

2010's most valuable brand, Acer, is no stranger to the top spot. Coming off a solid 2008, Acer had a notable 2009, becoming the world's second largest PC and notebook shipper behind the United States' Hewlett-Packard. Acer's increased exposure on the global stage through sponsorship of the 2010 Winter Olympics and on-going partnerships with the likes of Ferrari is helping to drive awareness and consideration globally. Its on-going expansion into the Brazilian, Russian, Indian, Indonesian, and Chinese (BRIIC) markets may be the key to becoming Taiwan's first entry onto Interbrand's Best Global Brands ranking.

HTC, a brand who leapt onto the global stage in 2009, has claimed 2010's second spot. Emerging as the world's market leader in Google Android operating system phones, HTC's handsets have become formidable competitors to Apple's iPhone. Based on the

brand positioning of "Quietly Brilliant", the globally integrated marketing campaign, "You", has paid off as recognition in key markets such as the US has doubled. HTC has also stressed innovation, with its Magic Labs continuing to develop features such as the ability to silence your phone by flipping it over.

Asus, maintaining its ranking in 2010 of the third most valuable brand, has continued to make its presence known around the world. Now the fifth largest computer shipper globally (tied with Toshiba), Asus has seen impressive year on year growth. One of the most geographically dispersed Taiwanese brands, Asus conducts significant business in Europe, the Middle East, and Africa. Through a firm foundation as the world's largest motherboard manufacturer, solid build quality, and an emphasis on the design and style of its netbooks, Asus is becoming a global go-to brand for PC purchases.

Feeding the Growth

With a collective US\$213 million increase in brand value, food manufacturers Master Kong, Want-Want, and Uni-President, now have a combined worth of US\$1.7 billion. This growth is largely attributable to the strong performance of China's economy. With all three brands heavily relying on China as a major source of revenue, their current fates are dependent on income continuing to rise for all Chinese.

Maintaining its fifth place ranking, Master Kong, China's market leader in instant noodles, ready-to-drink teas, and bottled water has sky-high recognition in China. Parlaying first mover advantage into countrywide dominance, Master Kong has established a near unbeatable distribution network across the mainland. With recent investments in new factories, continued expansion in beverages, and a new line of low-end instant noodles, Master Kong is not taking its leadership position in China for granted.

Holding steady in sixth place, Want-Want, a leader in rice crackers and dairy products, is about to go head to head again with Master Kong and Uni-President as it re-enters the instant noodle market. With its iconic "Hot-Kid" mascot, Want-Want has created one of the most recognizable brands in China and is well diversified with product lines encompassing soft candy and frozen treats.

Jumping three places from fourteen to eleven, Uni-President is benefiting from its efforts to expand outside China and Taiwan. Although it is Taiwan's food production leader, it trails its competitors in China. Expansion in South East Asia is starting to pay off and the company recently signed a high profile agreement with the New York Yankees in efforts to introduce its instant noodles to the United States.

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A Global Opportunity

While a majority of the companies on the 2010 Top Taiwan table have seen their brand's value increase in the past year, significant expansion will be necessary in the future if they would like to take a place among the Best Global Brands. The hundredth brand in the Interbrand's Best Global Brands 2009 was Campbell's, valued at US\$3 billion, double Acer's 2010 value of US\$1.4 billion. Global brands also all have significant reach, with a presence on at least three major continents, and must have broad geographic coverage in growing and emerging markets.

While the tech company's brands are well positioned to continue their rise, to become truly global brands, it will be important to understand what differentiates them versus competitors in the markets they target. Defining strong propositions will enable the brands to be more effective with their marketing dollars and ensure they are appealing to consumers with the appropriate tone and style. Streamlining product offerings and using the brand as a filter for innovation and design decisions will ensure a unified approach and clarity for customers.

For the food and beverage companies on the table, geographical diversification will be critical to building brand value. Understanding how their brands can be expanded beyond the Chinese and Taiwanese markets and positioned correctly for consumers is the first step in a successful expansion. Once a brand's audience has been correctly identified, bringing the brand to life through messaging and a visual style that is appropriate to the market and consumer will build strong equity and aid in selection.

Global presence is critical to ensuring financial performance, growth, and brand protection. An international footprint facilitates innovation, allowing ideas from local operations to flow back into central development. It helps fend off competition, build stronger equity, and secure future revenue streams.

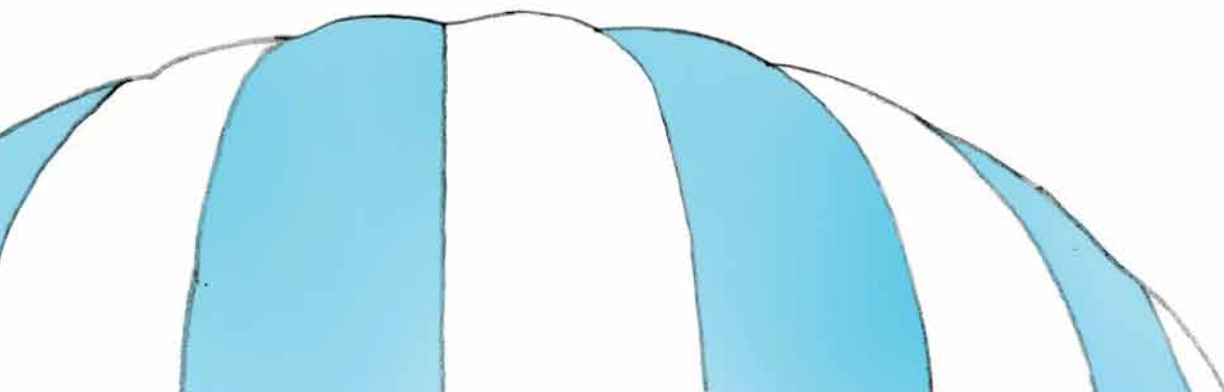
Taiwanese brands must expedite the global adaptation of their products and services in order to compete in the marketplace. Strong brands affect people's lives for the better everyday and Taiwan's top brands are no exception. Global brands, however, have a broader remit, and must aspire to change the world. By achieving such change, Taiwan's top brands will be able to take their place among the Best Global Brands.





















Taiwan's top brands are becoming global competitors and challenging industry mainstays.



Top Taiwan Global Brands 2010

A snapshot of the
brand values for the
20 leading brands



1		2		3		4	
Acer \$1,401 (44,706) Sector: Consumer Electronics		HTC \$1,371 (43,727) Sector: Consumer Electronics		Asus \$1,285 (41,007) Sector: Consumer Electronics		TrendMicro \$1,228 (39,169) Sector: Software	
5		6		7		8	
MasterKong \$1,066 (34,014) Sector: Food & Beverage		Want-Want \$482 (15,382) Sector: Food & Beverage		Maxxis \$391 (12,476) Sector: Tire & Rubber		Giant \$291 (9,282) Sector: Bicycle	
9		10		11		12	
Synnex \$276 (8,794) Sector: IT Product Distributor		Transcend \$240 (7,646) Sector: Computer Hardware		Uni-president \$197 (6,284) Sector: Food & Beverage		Advantech \$197 (6,282) Sector: Computer Hardware	
13		14		15		16	
D-Link \$167 (5,314) Sector: Network Hardware		Zyxel \$159 (5,065) Sector: Network Hardware		Merida \$146 (4,654) Sector: Bicycle		Johnson \$136 (4,338) Sector: Gym Equipment	
17		18		19		20	
Gigabyte \$106 (3,378) Sector: Computer Hardware		CyberLink \$104 (3,317) Sector: Software		Genius \$68 (2,183) Sector: Computer Hardware		Depo \$50 (1,603) Sector: Automotive	

Total value of Top 10 brands:

\$8,030 (256,202)

Total value of brands ranked 11–20:

\$1,330 (42,418)

Total value of Top 20 brands:

\$9,360 (298,620)

2010 Value US\$ millions (NTD millions)

Exchange Rate: 1 USD = 31.90 NTD



Acer

Spearheading the netbook movement, Acer is surging ahead in market share and is now the global No. 2. Having surpassed Dell, Acer now finds itself up against Hewlett-Packard. Acer's success is due to its business strategy of cost-effective products, high volume together with lean operational overhead and a constant refresh of product lines. Having established itself as brand that is affordable, Acer is looking to grow its sales in China. It has signed a memorandum of understanding with Founder group in China (2nd largest domestic PC brand in China with 6.3% market share in 2009) to cooperate and enhance both parties' IT business.



Advantech

Advantech is a leader in providing trusted ePlatform products and services. Advantech has always been an innovator in the development and manufacturing of high-quality, high-performance computing platforms, with their mission to empower innovation through trust-worthy ePlatform products and services. Advantech acquired German D-LoG and entered the in-vehicle market, which looks to grow 20% year on year. In terms of smart grid, it has partnered with China's five wind power plants and four electricity plants to provide wind power and electricity monitoring systems.



Asus

As the No. 1 motherboard manufacturer in the world, Asus continues to expand its market share in motherboards and notebooks, with its own brand manufacturing business advancing rapidly in recent years. Asus has reinforced its commitment to being design-focused by having a website to showcase its design achievements, such as the iF design award and red dot design award. Asus, known for its Eee PCs, has also made effort to move into mainstream performance mobile PCs. Asus has managed to gain the No. 5 position in the global notebook market, with a 9% market share.



CyberLink

Established in 1996, CyberLink is a major enabler of the connected digital lifestyle, providing user experience for today's devices. As a company that prides itself on being innovative, CyberLink is currently the only software company to produce complete solutions that enable inside-the-home connectivity by allowing users to create and enjoy content across multiple devices connected to a home network. It also allows for outside-the-home connectivity by enabling remote access to users' home media over the Internet. It is also the first in its category to couple its PC software with dedicated cloud services to enable users to enjoy media from the cloud within PC applications. Its products for 2010, such as PowerDVD10, MediaShow Espresso5.5, YouMemo, and YouPaint are poised for increased adoption as PC vendors roll out higher-end models.



D-Link

For over two decades, D-Link has received global recognition for product design, performance, and innovation. With its motto "Building Networks for People", D-Link strives to build network applications with unlimited potential to evolve networking to meet changing lifestyles. Transforming from a device driven company to an application driven company, D-Link is also leading the way in green networking. Its Xtreme NTM Storage Router won the Good Design Award – one of the world's most prestigious industrial design awards, along with the iF and the red dot. This award-winning, all-in-one device provides an attractive proposition in bringing users flexibility, simplicity and energy savings.



Depo

DEPO is the largest auto lamp provider in Taiwan and is Europe's largest auto lamp supplier in revenue terms. Its exposure to China's auto industry and close ties with local auto manufacturers puts its brand in a prime position to benefit from the significant growth expected there. DEPO's dominance in non-original products and strong sales channels are key factors that have helped its brand become a global player in the auto parts industry.



Genius

Genius is known for its award winning computer mouse and other computer peripherals. With its brand built around the idea of "Human Touch", Genius's tagline is "Live with Ideas". Genius has diversified sales channels by introducing TV home shopping channels in America, Africa and India to market its products - which has paid off in increasing revenues and brand awareness. Genius is looking to continue strengthening its core competencies and products, and also develop strategic products like digital cameras and tablets.



Giant

As bicycle demand picks up, Giant looks well-positioned in its industry to take advantage of the rebound. Giant's expansion of its women's brand "Liv/Giant", wide distribution network and No. 1 imported brand status in numerous markets show the brand's potential for strong growth moving forward. Its brand proposition is about inspiring adventures in others by delivering high quality bikes for the widest range of audiences regardless of location. Giant also sponsors the Rabobank teams, which includes three-time World Champion Oscar Freire, two-time Vuelta a Espana winner Dennis Menchov and current Cyclocross World champion Lars Boom.



Gigabyte

Gigabyte is proving itself to be a true leader in the global motherboard industry with its latest Unlocked Power and USB3.0 technologies. Gigabyte has reached an industry milestone of 1 million SuperSpeed USB (USB 3.0) motherboards shipped, making Gigabyte the single most widely adopted SuperSpeed USB platform in the world. It has grown to become the world's second largest motherboard manufacturer and with the resurgence in global demand, the future of Gigabyte is looking bright.



HTC

HTC, a global innovative smartphone company, initially made its mark as the company behind many of the most popular operator-branded devices on the market. Efforts in developing its own brand with the launch of the global "YOU" brand campaign in October 2009 based on its Quietly Brilliant brand positioning has paid off handsomely. It has achieved higher brand awareness among consumers, along with an association of being customer-centric and innovative. As the leading provider in Android handsets, HTC can also look forward to Android's expected increase demand together with the overall increase in smartphone penetration. HTC's a rising star to keep an eye on.



Johnson

The No. 4 fitness company in the world, Johnson has a global presence in over 60 countries and markets its fitness products to different segments with its four brands: Johnson, Matrix, Vision and Horizon. As the global economy recovers and Johnson ramps up expansion beyond its core US market, there will be plenty of opportunity for future brand growth.



Master Kong

Master Kong is a leader in instant noodles, ready-to-drink teas, and bottled water in China. It is one of the most recognised consumer brands in China, and aims to be "the biggest group for Chinese instant food & beverage in the world". With increasing wealth and sophistication of the Chinese market, Master Kong is shifting its focus to more mid- and high-end instant noodles to offer new varieties with added nutritional value.



Maxxis

Global tire demand is robust and Maxxis is well-positioned to be the long-term winner benefiting from strong original equipment and replacement tire demand in China. There has been positive development for Maxxis in passenger car tires as it recently won orders at Benz Fujie, China. Maxxis' thriving athlete sponsorship programme covers both grassroots and professional levels, supporting Olympians and weekend warriors. It also uses its sponsorships as portable laboratories to continually test and improve its products.



Merida

Merida is Taiwan's second largest bicycle producer. Its focus on extensive R&D and product testing, and sponsorship of the award-winning Multivan-Merida Biking team continue to show Merida's commitment to product and sporting excellence. Merida also boasts some of the most advanced carbon technology know-how in the world, with its dedicated product design office in Germany.



Synnex

Founded over 20 years ago, Synnex is a leader in the IT distribution business. Synnex's growth story is driven by riding on China's fast growth and rising domestic consumption. Its key strength is its flexibility which originates from its densely woven, highly efficient logistics network. Synnex's branding strategy is similar to Intel's "Intel Inside" program - offering customers the assurance of good quality if it is "Chosen by Synnex".



Transcend

Founded in 1988, Transcend has been focusing on developing its brand in consumer electronics. It has moved beyond creating a high-quality line of memory, flash, and storage products, to launching an innovative line of consumer electronics, including multimedia devices and the T.sonic™ series of MP3 players to enrich its product range. Some of the products have won globally recognised design and performance awards such as the red dot design award.



TrendMicro

As a leader in cloud-related technology, technology innovation has always been the driver of business growth for Trend Micro. Trend Micro was the first to extend threat protection from the desktop to the server and to the internet gateway. Trend Micro is now gradually shifting its business focus to technology support, offering real-time protection services to focused customers through the cloud. Its flexible solutions are powered by the Trend Micro™ Smart Protection Network infrastructure – a next-generation innovation that combines sophisticated cloud-based technology, feedback loops, and the expertise of TrendLabs researchers to deliver real-time protection. The acquisition of humyo, an online storage and data synchronization company will give customers access to additional internet content security choices and benefits.



Uni-President

Uni-President is Taiwan's largest food and beverage brand. The brand is edging up in market share in China and its Southeast Asian presence is becoming more established. It has responded to consumer preference by introducing new products and SKUs. Coupled with its recent high-profile sponsorship agreement with the New York Yankees, Uni-President is gradually making its way onto the global stage.



Want-Want

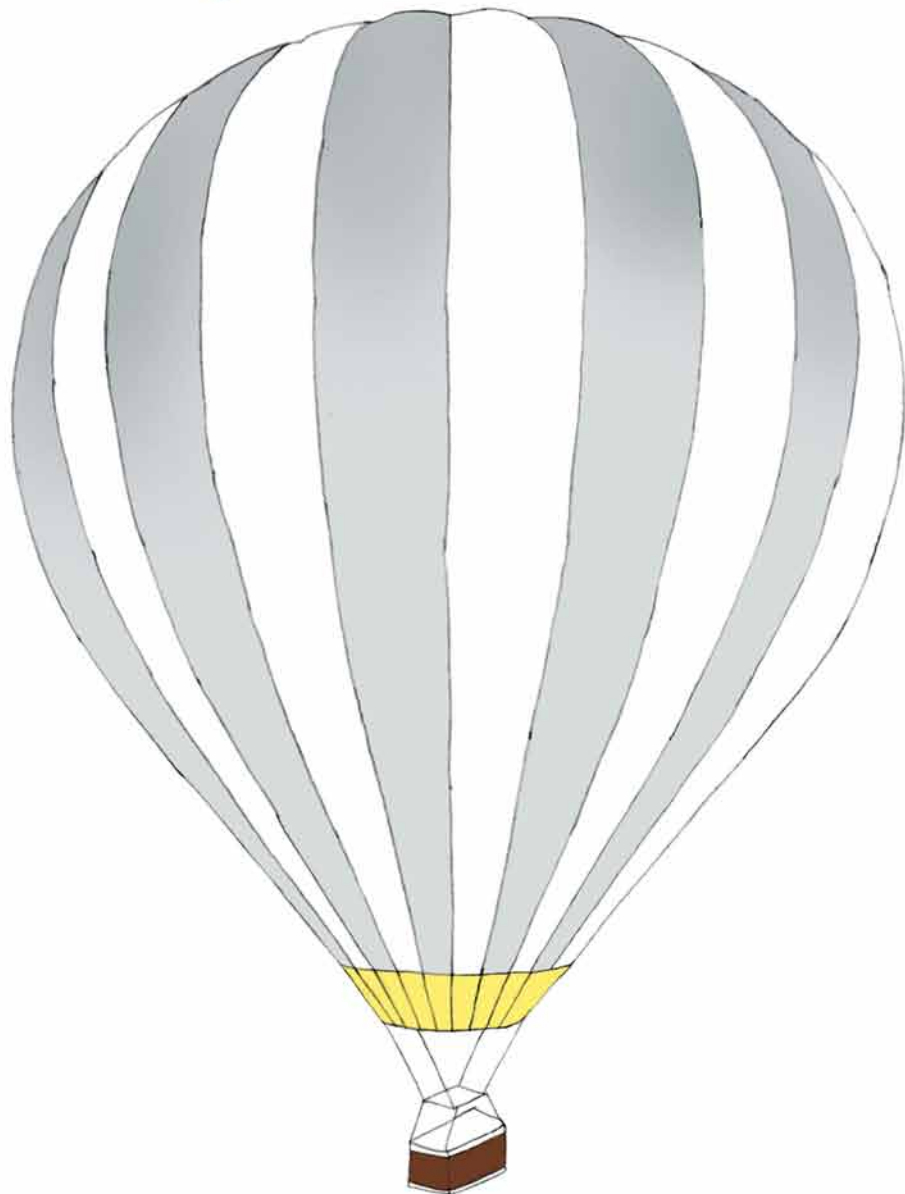
Want Want remains the largest rice cracker maker in the world and the largest kid's milk maker in China. Keeping in line with its global objective to be the "Rice Dragon of the World", Want Want will be reentering the instant noodle market in 2010 with its newly-developed, non-fried "Q" rice noodles.



ZyXEL

ZyXEL

Launched in 1989, ZyXEL has transformed itself over the years from a top modem maker to a strong contender in the broadband solutions market. A recent 2010 recognition by the Taiwan Environmental Protection Administration – "Carbon Footprint Label" recognises ZyXEL's endeavor in green technologies and it is the first networking equipment manufacturer to receive this honor.



Say goodbye to textbook cases: how successful brands will be built in the future

by Walter Brecht

All it takes is a quick look at the business world to realize that textbook organizational structures, even when implemented perfectly, are increasingly coming into conflict with conditions in the real world. Market conditions have changed, and will continue to do so in the years ahead. The current economic situation will reinforce this trend and ultimately make its effects permanent. The question is: How will these developments influence brands?

To get right to the point, it is not advisable to make helter-skelter changes to established brands. Even in cases involving a solid brand positioning and a coherent brand identity, brand management methods should be put under the microscope.

The parameters for brand success.

There are eight key points that brands managers will need to keep in mind when devising a brand strategy in the years to come.

1. Efficiency

Inflated demands, growing cost-consciousness, increasing complexity, and communication overspill all result in

a need and a longing for efficiency – the kind of efficiency that is not experienced as a burden but as a relief. Investments in optimized brand management structures and processes provide the efficiency that is needed. That's what makes them a wise decision. But they are also worthwhile because they create value at a time when sales pressure is increasing and it is necessary to exploit cost synergy effects and enhance efficiency.

2. Convergence

Brand worlds often collide when innovation cycles merge with new technologies. This demands a great deal of flexibility and foresight on the part of brand managers.

3. Multi-channel

The mushrooming diversity of new media and formats means brands can no longer be visible everywhere in equal measure. At the same time, the line between communication channels and distribution channels is becoming increasingly blurred. Brand builders need to provide sustainable, adaptable answers regarding the scope and type of exposure they want their brands to have in selected media/channels, and they need to manage them in an integral manner.





4. Self-segmentation

Like communication, distribution is also no longer a simple one-way, top-down undertaking. In the future, clients will increasingly decide on a case-by-case basis, at each point along the experience chain, how much proximity or interaction is desired. The brand builders of tomorrow will do well to adapt their expectations to the respective situation, while always remaining true to their brand values.

5. Diversification

In addition to the trend toward increased integration of branding measures, strategy-driven diversification is also becoming more and more important, particularly in the branding arena. This is due to expansion into new markets, and also due to the acquisition and the creation of additional brands designed to make the portfolio more resistant to crises. Future brand-building activities will include analytic processes that provide quantifiable decision-making tools to help minimize risk, as well as structural models and decision trees for efficient management.

6. Individualization

The trend toward the individualization of product offerings continues unabated. Branding activities must ensure that brand strength is not diminished by the sheer quantity of variants. At the same time, it is necessary to integrate stakeholders into the "service performance" process.

7. Globalization

Globalization has been embraced not only by large corporations, but by small-to-medium-sized businesses as well. However, there are still no simple or self-evident answers to issues of global brand management. Do branding activities have to be managed the same way the world over? Should the brand identity be exactly the same in every region? Upon what basis can the decision for or against a global brand be made?

8. Social and economic change

The world is changing. To name but a few issues, climate change, new media, different ways of obtaining and processing information, food scandals, and the global financial crisis, are effecting fundamental, long-term changes in the way society thinks and acts. The keyword here is "sustainability." Brand-builders of the future will be called upon to react to these changes, and in some cases take the lead in shaping the world of tomorrow.

Although many companies have done their homework and made significant advances in the area of branding over the past few years, existing brand management structures (to the extent they are in place

at all) are often inadequately meeting the complex demands of the future. A study by Bruhn on the subject of integrated communication confirms this impression and identifies the organizational and structural barriers to successful implementation of branding strategies. This is an area in which management will continue to be challenged, and will be called upon to take advantage of state-of-the-art brand-building tools. In the future, managers will need to establish organizational and decision-making structures that transcend theory-based "either/or" considerations and instead allow for pragmatic "both/and" solutions.

The way forward: thinking outside the box

When facing these new challenges, brands must avoid textbook solutions, and instead think outside the box. Below are four new ways to think about brand building.

1. Centralized and decentralized

Previously, centralized brand management was considered fundamental to successful brands. However, currently market and business realities point in another direction. There is now a need to be close to markets. The transformation of company departments into profit centers shows all too well that more factors influence the brand than was previously believed. As such, brand building and brand management require more decentralized structures. Nevertheless, "totalitarian" brand management is not the goal. Rather, the organizational process between company headquarters and branches must be anchored to ensure that the consolidation of all brand communication effort is the "sine qua non," and counteracts the "silo mentality."

This requires clearly defined responsibilities between central and decentralized departments, as well as authoritative entities capable of ensuring that coordination processes facilitate cooperation on clear, common objectives. Responsibilities must be assigned on the basis of the brand's experience chain and the relevant communicative focal points, including their relevance for the brand's business. Establishing rules for dealing with conflicts can turn disputes about power and resources into constructive solutions. Interactive instruments such as CI-nets, brand management portals, and brand filters not only enhance the exchange of information but also facilitate consistent, efficient brand-building activities, even in companies with decentralized organizational structures.

2. Integration and differentiation

Ever since the business of branding began, the issue of integration and differentiation has been a salient one. But in light of the increased significance of brands as a factor for creating added value, it is more crucial today than ever before. Up until now, branding textbooks have admonished companies to choose one of the two models to the exclusion of the other. Today, however, it is no longer possible to adhere to a purely integrated brand model. The need among companies for more differentiation is putting pressure on the integrated brand model. In the world of business, gut decisions are simply too dangerous. The risk of damaging a successful brand through integration is too great. At the same time, there is tremendous pressure to take advantage of the alluring effects offered by integration. Brand management must find a way to respond to these trends and enable both flexibility and stability.

The future of brand building offers decision-making tools for processes such as these. First, it requires a clearly defined brand model for managing the portfolio, which sets out peripheral activities in addition to the brand's core areas. This makes it possible to bring all the various options, from integration to differentiation, into alignment.

Second, it requires the necessary instruments and methods to perform quantitative analysis. They make it possible to raise the value, customer preference, and stretch of the brand. They develop and bring to fruition strategic scenarios that add value to the brand. These brand management instruments allow for a "both/and" option that can achieve added value for an entire brand system.

3. National and international

As a result of internationalization, many companies see their brands facing unknown challenges in diverse foreign markets. National brands that led the field in their domestic markets must confront unfamiliar socio-cultural conditions and communication channels in foreign countries. A national brand in a foreign country is not automatically one that's international. And an international brand is not automatically the same in every country. The spectrum of issues requiring strategic steering decisions is broad, from different languages and tastes, to local customs and cultural aspects.

Brand builders with a long-term strategic vision respond to these challenges with an international brand management structure – a set of clearly defined responsibilities, ranging from global development and decision making to communication and regional implementation, including any adaptations that may be required in respective national operations. All this is established on the basis of a clear (brand) vision and brand personality, with the help of ongoing coordination among all companies and agencies involved. And it's all done by a competent, preferably intercultural team, and from a strategically chosen location.

4. Cross-media and cross-channel

The blurring and merging of communication and distribution channels can be seen as one of the most important developments of the past few years. In the future, communication with indirect references to sales offerings will be even more crucial than today, when it comes to establishing customer loyalty, identification with the brand, and proximity to purchase decisions. On the other hand, distribution is increasingly becoming a facet of (brand) communication. Here again, strict separation between the two categories hinders the exploitation of the brand's full potential. From now on, efficient interaction between brand management and sales management will be a decisive factor for brand success.

The bottom line

The future of brand-building and brand management lies in defining, integrating, and steering all of these requirements. In addition to a more flexible understanding of brand management structures and state-of-the-art instruments, this will also require a new self-image. Whether it is a shift away from a "corporate design police," to an internal brand consultant; or from a brand administrator to a valued-asset manager or ambassador of the brand. Because the relationships are so complex, brand management must demonstrate a high degree of intelligence and competence in the area of relationship management. Successful brand-builders will not simply rely on existing, static organizational structures, but create new, more suitable ones.

B2B brand building

by Robert Allen & Venetia Tay

There is a misconception that only B2C company need a brand and B2B companies only need to focus on their products and processes. Interbrand shows the importance of branding, even for B2B companies.

Brands are a combination of two parts: expectation and reputation. Expectation is the experience the customer should get when they buy the brand – tasty food, quick service, or the feeling of being a good mother. Reputation is how deep this expectation is – how much trust is placed in the brand to do what it has promised. Strong brands are those that create this sense of value in a customer's mind. And that value needs to be unique to the brand.

Unfortunately most brands choose values that are undistinguished – like quality, service and value. These are the most common brand values in business, found in brand definitions, mission & visions, and CEO's speeches.

They are attributes that any company should embody. In fact they are so obvious that it's impossible to consider not doing them. Can you think of a business that would be proud of being low quality, having poor service and ripping off their customers?

This problem of undifferentiated values (and therefore undifferentiated products and services) is more acute in B2B than other areas of business. The reason seems to be that this is what customers say they want. Ask any CEO what they want from their B2B business partners and they are likely to say: quality, service and value. Unfortunately the CEO is likely to say the same to all his business partners, resulting in all the brands (and businesses) in a category becoming the same.

This is a common scenario for Taiwanese companies, where a majority are B2B businesses, had their roots in B2B, or are serving B2B business partners. Many companies feel that the only way they

can break out of the mould is to create a B2C brand, but they often neglect the fact that their B2B business could be a strong brand in itself. With all of the category's brands offering same thing, the choice for purchasing becomes driven by price only, commoditizing the market. So how do you develop a distinctive B2B brand that avoids this commoditization trap?

Interbrand suggests the following steps:

1. Your business plan is not your brand strategy

First, let's be clear about what a brand strategy actually is, as it is often confused with the business strategy. Business strategies are written from the point of view of the business. The central question is what you do to make money. Do we sell family cars, electronic components, or English language training – and how much do we charge?

So if a business decides that it is a keenly-priced component manufacturer, they have their business strategy. Now they can think about financing, manufacturing, staffing, and all the other things they will need to run that business.

But this is not a brand strategy, because the brand strategy is written from the point of view of the purchaser. It is defined by the benefits that they experience when choosing those particular components – both practical and emotional.

Often, these two strategies get confused. The business strategy can contain elements of the brand definition; some benefits (usually price or functional attributes) can be mentioned or implied.

Many B2C businesses are now defining themselves in relation to their brand. In effect, the brand strategy is the business strategy – or at least its start point. They organise the business around the rational and emotional benefits their (carefully segmented) target audience will receive. From the start they set the expectation

– and then build the reputation. Too many B2B organisations still define themselves (and their brand) by the thing they produce.

2. Be specific

The definition of the benefits of the brand need to be as specific as possible. Concepts like quality, service and value are broad definitions. But what style of service are you offering? McDonalds and the Ritz Carlton both offer good service, but in completely different ways.

McDonald's service is quick, cheerful and standardized. The Ritz Carlton is considered, individualised and pampering. Of course they have very different markets and consumers but even within their own markets, it is possible to see the difference between McDonalds and Wendys; the Ritz Carlton and Intercontinental.

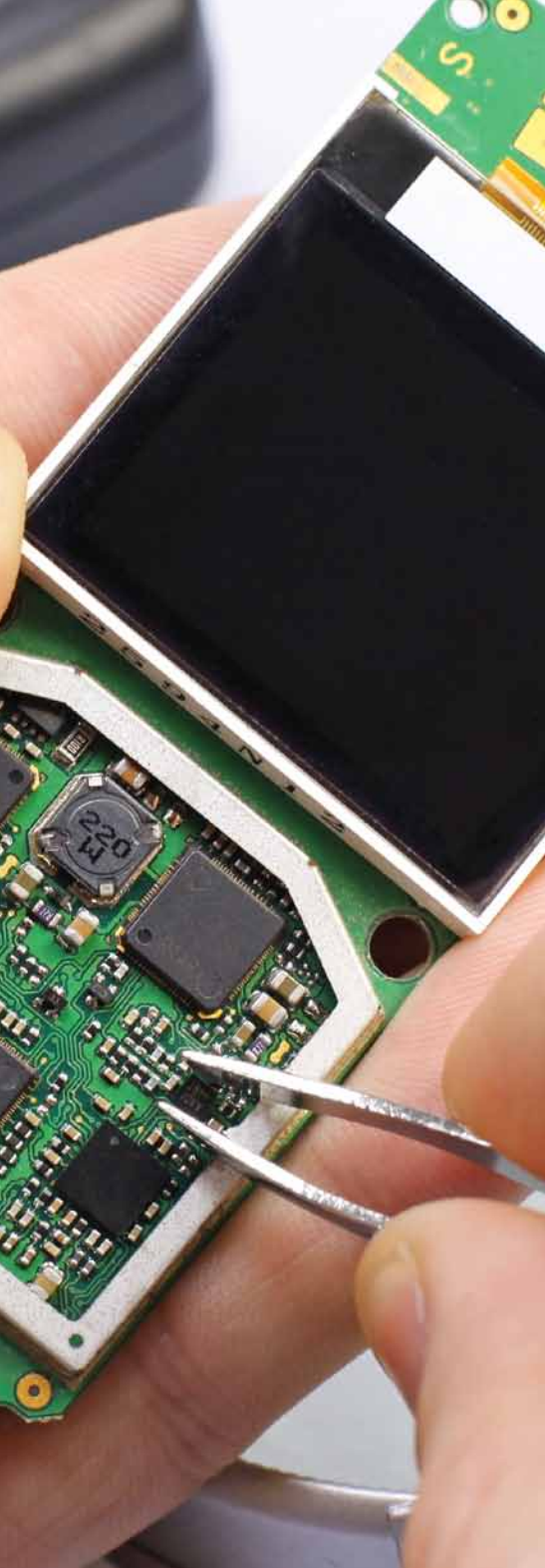
What are the emerging trends and shifts in needs that can be exploited? What are the product developments and new customer requirements? In the B2B area the changes are often small but they are there. These are the spaces that the brand can capture and own in the minds of its customers.

3. The emotional benefit?

Branding seeks to offer both rational and emotional benefits. Emotional benefits are often held to be better, as they are harder to copy by competitors, and customers that are emotionally bonded with a brand have made an investment that is liable to last.

The Mother choosing between Pampers and Huggies is not only deciding whether the claims to keep her baby drier are credible; she's also deciding on which of two different visions of Motherhood appeals to her sense of self.

In contrast, B2B branding seems shorn of all emotion. Both clients and brands focus on functional benefits like cost and delivery. Indeed, it is felt to be inappropriate to be making business decisions based on emotion. So once again, B2B branding seems to have its options constrained.



By being conscious of the hidden, emotional dimension of decision-making, a B2B brand can offer more than even its customers might realise.

4. Be the best...at something

One of the common problems in B2B branding occurs when categories only value a very small number of things. How can you offer something different when there seems to be no white spaces available?

The first answer is to go back to the customer journey. Are you really sure there are no other areas of value – or that could become valuable if a greater or different service could be applied? Could you surprise your customer by giving them value they did not even know they wanted?

If there really is only one thing of value – then capture that in the brand and be the best at it. If timely delivery is all that counts then pledge to always be five minutes early – and make sure you are! Expectation is set, reputation follows, and soon the brand is seen as the safe option – the one you can trust to always deliver. And that is worth paying for.

5. Express yourself

When you have worked out your strategy, another area of opportunity for B2B brands is brand style, or personality. B2B brands are often anxious to establish their credibility and business competence with customers. So they present themselves in a style that is serious, heavy and dull. But skill and imagination, it is possible to be both serious, and engaging.

Unfortunately many B2B identities lack this originality. Photography is often a problem. Businesses are willing to invest serious time and money into a logo, but balk at commissioning appropriate images. This does cost money, but going without is a false economy. Using stock images means using the same images as everybody else – including your competitors.

Having worked out what is unique about your brand, you owe it to yourself to express it in the most compelling way you can. Ask yourself: does the picture you found on Google of two men in blue suits shaking hands, really sell how great you are?

6. Innovate

As it should be becoming clear, branding is not separate from what your business is offering to its customers. It will not stop your products from being undifferentiated.

But branding can help to drive innovation by envisioning what a business would like to stand for in the future – based on what clients will want. When this is clear, the

appropriate products and services needed to fulfil this promise can be developed – building reputation. Without these products and services, a brand is just a way of doing the same thing as everyone else, with a slightly prettier logo. And that is unlikely to impress your customers.

7. Your people are your brand

The opportunities to do traditional brand-building via advertising are limited in B2B. But the opportunities for personal expression, persuasion and advocacy are much higher, as so many of the brand's interactions with customers are face-to-face.

So the dress, manner and tone of staff should be a reflection of the brand. If the brand is about expertise, then a dry scientific tone and smart dress is appropriate; if the brand is about creativity, then jeans and a casual attitude would be expected.

Even if the products are the same, service is an area where B2B brands can differentiate themselves. When your team meets the client, can the client instantly tell the difference between them and the competitor's team? Who would they rather spend time working with? Who would they come to trust to get the job done?

8. Going cheap

If you are convinced that none of this will make any difference; that you are in an undifferentiated, commoditised category with no potential to become unique – then embrace that fact. Be the cheapest, and be proud of it. Build your brand (and your business) around it.

This is not as functional as it seems. Customers can derive a lot of emotional satisfaction from knowing they have saved money – either for their family, or their company. The purchasing manager who gets promoted because you saved him money will always take your call.

It worked for Wal-Mart.

In conclusion

At first sight, B2B seems to offer less possibilities for effective branding: positioning options are not as obvious or numerous, personalities are constrained, and commoditization threatens.

Yet with a little more thought B2B brands can be just as original and engaging as B2C: work out what you can do better than anyone else, back it up with innovative and appropriate products and services, and express the brand with clarity and creativity. And do not ever mention quality, service and value.

But B2B brands do offer emotional benefits – they offer trust and reassurance. How much customers trust them (and what they trust them to do) depends on the reputation of the brand.

These values may not seem especially differentiating – every brand wants you to trust them. But how far can that bond be developed? Communications, results and personal interaction all contribute.

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