

British Brands

THE NEWSLETTER OF THE BRITISH BRANDS GROUP

Turning fifty



Amanda Madigan, *Dulux*

In 2011 the much loved and iconic Dulux dog was 50!

It was 50 years ago that an Old English sheepdog was added to one solitary Dulux advertisement and, at that moment, a British icon was born. The dog is now instantly recognisable and synonymous with Dulux. He represents good, honest British values – trust, loyalty, playfulness and quality, and is as well-loved today as he was in 1961.

Needless to say after 50 years, the Dulux dog is one of the reasons why the paint has gone from being just a commodity to one of the most well-known brands in its field. We are extremely proud of him and so celebrating his 50th anniversary was a must.

It has been a busy 50 years for the Dulux dog and 2011 was no exception. To mark the occasion Dulux has celebrated with a big brand investment supporting a high impact national TV campaign to deliver a high visibility campaign launch, reaching a mass audience, to deliver the 50 years' message and drive viewers to Facebook for more interaction and brand engagement. In addition to this, successful digital, radio and press campaigns were also launched to build consumer loyalty and remind consumers of the heritage, trust and value of the Dulux brand.

The 2011 TV commercial shows the iconic sheepdog helping people around the UK solve their decorating problems. However the Dulux dog has been the star of many TV advertisements over the years. The Dulux dog was used for the first time in our 1961 TV commercial which was in black and white!

The first Dulux dog was called 'Shepton Dash' or 'Dash', and held the role for eight years.

The 1960s were a time of huge change – as the country emerged from post-war austerity, the mood was light with an air of rebellion against long-established traditions. In the home, everything became more dynamic, graphic and colourful. This was also the time that DIY began to boom and people were encouraged to style and decorate their own homes, which was reflected by the 1961 Dulux strapline 'Hey mate let's decorate'.

'Fernville Lord Digby' or 'Digby' was our second Dulux dog and was perhaps the most famous. Digby starred in his own movie in 1973, 'Digby the Biggest Dog in the World', alongside Jim Dale and Spike Milligan. Digby was trained by the famous dog trainer and TV personality Barbara Woodhouse and he later retired from his role as the Dulux dog in the early 1980s.

Since then the role of our much loved and iconic Dulux dog has been played by a number of sheepdog stars who have had long and happy careers including 'Duke' and 'Pickle' and more recently 'Gair' and 'Spud'.

The dog is the Dulux mascot and brand icon and he is an integral part of our brand's visual identity. The image of the much-loved sheepdog is consistently used in the overall look for communications, from product packaging and colour cards to integrated communication campaigns across press, radio and national TV. He even has his own microsite and appears on our Facebook page and YouTube.

Today the Dulux sheepdog is so popular and loved that there are several almost identical sheepdogs on hand to meet engagements.

Dulux is our best-known paint brand, available in more countries than any other.

We make paint in 26 countries on four continents, Europe, North America, Latin America and Asia, and our headquarters are in Slough, UK. Around the world Dulux makes sure that, through superior market knowledge, it understands customers' varying needs and tailors both products and services to meet those needs. Most importantly Dulux understands why people want to decorate their environments. In some parts of the world decorating is events-based, taking place in the run up to religious festivals for example. It can also be part of a traditional annual process to clean and refresh their home. Alternatively, for some people, redecorating their home is an expression of their personality or social status.

Wherever in the world you find Dulux, you will find a brand that gives both the DIY user and professional painter help and inspiration to create the best possible results. While our products vary from country to country, our ambition remains the same: to help people create a beautiful place in which to live and work. And to make those good looks last.

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From the Chairman

John Bebbington, *British Brands Group*

At a conference last November, *Branding in a modern economy 2* organised by the UK Intellectual Property Office (IPO), Baroness Wilcox, Minister for IP, acknowledged that branding accounted for some 50-70% of some companies' market value. Importantly, she went further, suggesting that brands make a real contribution to the UK, notably in terms of investment and employment.

To those well-versed in brands, this is not a surprising statement. However it is worth pausing to consider how rare such pronouncements from Government are.

A case in point is this year's report from Professor Hargreaves who, at the behest of the Treasury and BIS, spent six months assessing how the UK's IP framework may further promote entrepreneurialism, economic growth and innovation. One might expect a nodding reference to the role of brands (or at least the trade marks that underpin them) in giving consumers the confidence to purchase online, easing consumers' search across borders, encouraging socially responsible and reputable trading, and acting as catalyst for innovation. In the event, not a word.

It is also worth noting that the Minister, while recognising the contribution of brands, ignored their arguably more significant economic role in generating growth and enhancing competitiveness, themes particularly relevant to our current economic situation.

Why is recognition by Government so important? Unless brands are understood, there is little prospect that public policies affecting brands will be well-informed, proportional or even effective. Such policies cover IP, counterfeiting, unfair trading, competition, health and nutrition, sustainability and consumer protection. Policies that damage brands damage growth.

An illustration where knowledge of brands would be handy is in assessing the suggestion

that brand imagery be removed from tobacco packaging. This is premised on the likely spurious belief that brand imagery promotes smoking, while ignoring branding's role in differentiating products and encouraging investment in quality, innovation and reputation. Without full understanding, such a policy risks unintended consequences in terms of tobacco use and public health.

The IPO is making real progress in doing what it can to ensure the UK is a strong market in which to create and build brands. It commissioned a study that found a positive correlation between trade marks and productivity, higher employment, better rates of pay and growth. This is important evidence for future policy. Improvements are being made to the Patent County Court system to speed up and reduce the cost of brand protection, particularly for smaller companies. It has campaigned effectively for a mechanism to safeguard brand owners' rights with the expansion of gTLDs¹. It is also undertaking research into the consumer and business harm arising from the parasitic copying of brand packaging, the results of which are due in spring 2012.

These developments are important. However other Government departments, notably BIS, the Department of Health and the Department of the Environment, supported by the Treasury, require encouragement to assess the impact on branding where policies are likely to impinge.

Industry has a particular responsibility to ensure the contribution of branding is understood and the British Brands Group will continue to do its bit. In this edition of *British Brands* we explore how branding can corral local communities to generate prosperity, in this case Tideswell in Derbyshire, the subject of TV's 'Village SOS'. Clamor Gieske of Zeitgeist 365 addresses the oversight of the Hargreaves Report, articulating the role of brands in the digital world. Meanwhile

Alastair Gorrie dispels the myth that brands are invincible by marking the shift in power to large retailers and the challenges faced by branded products seeking to compete with retailers' own-brand products. A tribute to Dulux's brand icon, the Dulux dog, 50 years on completes this edition.

Newsletter articles and the Group's regular studies play their part but the Brands Lecture warrants special mention. There have been eleven so far, providing a rich source of insight into many aspects of branding. This year's lecture was no exception, with Rory Sutherland, Immediate Past-President of the IPA and Vice Chairman of Ogilvy Group UK, exploring human behaviour and its relevance to branding. For those to whom signalling, loss aversion, information asymmetry, heuristics, satisficing, path dependency, framing and complementarity are daunting concepts, this is the lecture for you. It is available free on the Group's website www.britishbrandsgroup.org.uk.

This is my last foreword to *British Brands* as I hand over the chairmanship in the spring to Andrew McCarthy who has recently retired from Procter & Gamble. It has been six rewarding and fulfilling years in which I have seen branding being integrated more closely into Government policy (thanks to the IPO), a concerted effort by competition authorities to deliver a grocery market that works better for consumers (a lead other countries are now following) and the confusion of consumers by misleadingly similar product packaging rendered unlawful (we now need the regulations to be enforced). I will be leaving the Group in the most capable hands and I will continue to watch the flourishing of brands in the UK with pride and admiration.



¹ gTLDs : Generic top-level domain names

Branding online – seven reasons why it really matters to Britain

Clamor Gieske, *Zeitgeist 365*

Online brands have become part of the fabric of our day-to-day lives. Brands such as Google, Amazon, Facebook and eBay have become household names, albeit they are rarely British. A closer look at the list of the Web's 50 most-popular brands compiled by Nielsen and UK Online Management (UKOM) reveals significant changes over the past few years. Today, only around 13 of those brands originate from Britain. In essence we encounter predominantly foreign brands in our day-to-day online lives.

Generally, we have much advanced our understanding of why brands are important and how they play a vital role for innovation and growth in the British economy. Branding helps commercialise new ideas by connecting the idea to individuals. Through differentiation, relevance and added value, stronger relationships with consumers may evolve into stronger loyalty and greater potential to diversify. This logic applies in the offline as well as the online environment. However, nothing has prepared us to deal with today's revolution in building brands in the online world.

With a low GDP growth forecast for years to come, the UK will need to rely on new sources of growth and innovation. However, Government policy mostly focuses on the original idea (generated through R&D and innovation) but not the forces that commercialise those ideas such as online branding, yet this is where value is realised. A recent example is the Hargreaves review (and the Government's response to it), where online brands and trade marks are barely mentioned. It is encouraging that trade marks are not deemed to be a barrier to the UK's full participation in the digital economy, but this does not mean that their role should go unrecognised.

It is known that branded companies deliver superior performance, so why the absence of

online branding in Government thinking? We believe that there are seven reasons why online branding really matters to our economy and that it should be more recognised in Government policy, particularly in the light of the rapid evolution of the internet and the rise of the social Web's forms of media, technologies and networks that will continue to change not only our lives at home and at work but how brands are built.

THE SEVEN REASONS

1 Online branding drives brand value

A number of online brands have quickly emerged in brand value rankings. With a phenomenal 62% appreciation in brand value for example, Baidu, China's leading search engine, was second in brand value growth in the BrandZ Top 100 in 2010 according to Millward Brown Optimor. Also Google has seen incredible growth not only as the preeminent search engine but by stretching their business into other areas including YouTube, Gmail, the Android mobile phone platform, Google + and its vertical integration with the recent acquisition of Motorola. Overall, market capitalisation is strongly driven by intangibles, which in turn are driven by brand value and online branding.

2 Online branding drives perceptions in both the offline and online world

The online world of brands more and more mirrors the traditional bricks-and-mortar marketplace. The Web's 50 most-popular brands increasingly consist of businesses established in the 'real world' as well as sites serving the interaction between 'real people'. According to Nielsen and UKOM, 35 of the Web's top 50 brands are accounted for by social media and traditional businesses, up from 19 in 2004. There are many examples that demonstrate how the line increasingly

blurs between virtual and physical. Adidas, for example, is driving a big shift towards the digitisation of sport through a number of initiatives including personal coaching apps, such as miCoach for runners. Adidas miCoach enables you to track your runs and monitor progress with advice during and after your runs. Part of its marketing strategy is to connect offline and online worlds and to become more relevant in people's day-to-day (sport) life.

Ocado has launched a 'shopping wall' in the UK which is very similar to Tesco's virtual shopping wall in South Korea. The idea is to bring the supermarket to the people, for example by displaying a poster of images of products on shelves at underground stations. Customers can purchase selected items by pointing their mobile phones at a bar code to add them to their virtual basket.

3 Online branding drives trust and loyalty

Online branding is often able to drive awareness and preference faster than offline branding. It is remarkable that internet-only retailers increased their share of book purchases between 2008 and 2010 from one in six to one in four according to Book Marketing Limited's Books and Consumers survey. This shows that online brands such as Amazon have managed to build trust very quickly through online branding. Generally, online brand trust is affected by factors such as security, privacy, brand name, word-of-mouth, online experience and quality of information. Amazon has been so successful in addressing these factors that they now have the most highly trusted brand of all large websites on the internet in the UK according to Verdict Research. On the basis of this trust, Amazon continues to diversify into new areas such as groceries, film and devices including the Kindle and its new tablet computer, the Kindle Fire. ▶

Branding online – seven reasons why it really matters to Britain

Further, it is interesting to note the extent to which people are loyal to an interface, as Rory Sutherland pointed out at the 2011 British Brands Lecture in June. It was widely assumed in the early days of the internet that there would be no loyalty online because everybody would be one click away from a lower price. In fact loyalty online is extraordinarily strong because once you have mastered one interface you are disproportionately reluctant to experiment with another.

4 Digital natives do not distinguish between online and offline

The average Web user in Britain already spends around 22 hours per week online, 65% more than three years ago according to research of net habits. This is likely to increase. Children who were born into and raised in the digital world are coming of age, and soon our world will be reshaped in their image. This will have a profound impact on online brand building. Companies that do not engage with digital natives will lose relevance as a result. This not only applies to B2C but to B2B brands as well. For example, one of the leading professional lighting companies is currently rethinking their online B2B branding strategy as they will soon be dealing with professional buyers who are born digital natives.

5 Online branding further accelerates the move to a knowledge driven economy

When Peter Drucker popularised the term 'knowledge economy' in 1969 he could perhaps not foresee the evolution of the internet. Online branding accelerates the use of knowledge technologies to produce economic benefits. It has never been easier to access knowledge but we rely on online brands to guide us through this vast array of unfiltered and non-prioritised information.

We are rapidly moving from physical to virtual products and services and online branding is the glue that connects virtuality with real people.

6 Online branding leads to new peer-to-peer business models

We are currently witnessing the rapid explosion in traditional sharing, bartering, lending, trading and renting which is being completely reinvented through network technologies. This is often referred to as collaborative consumption. One of the prerequisites is trust, which can best be applied through online branding. Examples include marketplaces such as eBay, peer-to-peer travel (Airbnb) and car sharing (Zipcar).

We will see many more businesses emerging in this space with more advanced technology enabling more trust between strangers or, as Kevin Kelly editor of Wired magazine, puts it, 'Access is better than ownership'.

7 Online branding has the potential to drive participation

In light of the recent riots some believe that communities need to be strengthened. Digitisation and localisation have the potential to drive participation and to help bring communities closer together again.

O₂ recently launched a branded online initiative called Think Big to encourage young people to make their community a better place by backing ideas with money, training and support. This is a great way of driving loyalty among younger customers while creating positive local press.

The homeless charity Depaul UK has been running an app called iHobo that allows you to interact with a homeless person who 'lives' on your mobile. How he fares is the direct result of the nature and speed of your response to the dilemmas he faces. At the

end of three days, the 'real-time interactive experience' ends with a direct appeal by Depaul UK. The app was the most downloaded app for a while and continues to raise money.

Orange is encouraging consumers to spend five minutes to 'make a difference to people's lives' by virtually volunteering with various charities through a mobile phone app called 'Do some good'. The app was even praised by Prime Minister David Cameron, who said: 'Do Some Good is a great way of tapping into this huge pool of untapped volunteering energy.'

Never before in history has the potential been greater to connect people on a global but also local level for good causes through online brands.

CONCLUSION

Without trying to preach to the converted, it is evident that branding is an essential part of becoming a successful knowledge-driven and innovation-led economy. Current Government policy focuses too strongly on the original idea and needs to take greater account of the advantages to be derived from building online brands and the protection of brands, whether products or services, online.

In many ways, this is just as vital as other Government initiatives in the digital economy such as promoting the Silicon roundabout in Shoreditch. Government policy needs to be more encompassing, driving digital change across all industries nationwide. The alternative is a loss of competitiveness which does not bear contemplating. As Eric Schmidt, Chairman of Google, pointed out at a recent conference, Britain should not throw away its computer heritage.

Buyer power continued

Alastair Gorrie, *Solicitor*

Despite some half-hearted efforts from certain regulators in Europe,¹ buyer power in the groceries retail sector appears to continue its relentless march. According to the European Commission's definition,² buyer power is the 'ability of one or more buyers, based on their economic importance on the market in question, to obtain favourable purchasing terms from their suppliers... [P]owerful buyers may discipline the pricing policy of powerful sellers, thus creating a 'balance of powers' on the market concerned. However, buyer power does not necessarily have positive effects. When a strong buyer faces weak sellers, for example, the outcome can be worse than when the buyer is not powerful. The effects of a buyer's strength also depend on whether the buyer, in turn, has seller power on a downstream market.'

Branded goods suppliers face a perfect storm of conditions enhancing grocery retailer buyer power: retail concentration is high; most products are broadly similar and supplied in large volumes; retailer purchases comprise a large portion of an individual seller's sales; substitute products are easily available and costs of switching from one seller's product to another seller's product are low while those of switching between retailers relatively high; retailers can easily produce own label products themselves; the consumer is price sensitive and well-educated.

Table 1
Top 5 retailers (banners) – value shares

	2005	2010
France	73.0	73.0
Germany	61.0	75.0
Italy	28.0	32.0
Spain	57.0	64.0
UK	69.0	74.0

Source and ©: Europanel

An ever more concentrated retail market

Market concentration has continued its inexorable rise in the supermarket sector. Table 1 sets out the evolution of retail market

shares of the top five retailers in the five major EU markets in the last five years. While Italy remains relatively fragmented, all markets show significant and, in most instances growing, concentration.

Table 2
Private label value shares

	2005	2010	Range for top 5 retailers
France	33.0	38.0	29-36%
Germany	27.0	33.0	16-80%
Italy	9.0	12.0	10-22%
Spain	29.0	33.0	19-52%
UK	46.0	46.0	44-50%

Source and ©: Europanel

Growth of own label

In the decade 2001 to 2010 across nine major western European countries, own label average market share has increased from 31.3% to 39.1% by volume and from 27% to 32.8% by value.³ Table 2 indicates the growth of private label in five major EU markets in the past five years as well as the range for the top five retailers in each of these countries.

Supermarket own label has expanded into ever more categories and increased its share in most categories, particularly in those countries and categories where own label expansion is more recent. There is also a correlation between retailer concentration and the supply of own label product. In Switzerland and the UK where retail concentration is high, own label has the highest overall value market share – 46.3% and 42.2% respectively.⁴

And increasing presence of buyer groups

To this should be added the growing prevalence of buyer groups. In 2010 retail sales accounted for by members of the key European grocery buying groups amounted to an estimated €976bn up from an estimated €702bn in 2006.⁵

Will consumers benefit?

Barriers to entry for new grocery retailers are prohibitively high. The scale required for

successful operation means the incumbents are virtually immune from competition from new entrants.

Without the continued spur of effective actual or potential competition, there is no guarantee that consumers will continue to receive the full benefits of scale or innovation whether in new retail formats or in product innovations. Taking Switzerland as an example, where mass grocery retailing is operated by a near duopoly, product range and choice is significantly more limited than in neighbouring markets and prices are significantly higher.⁶

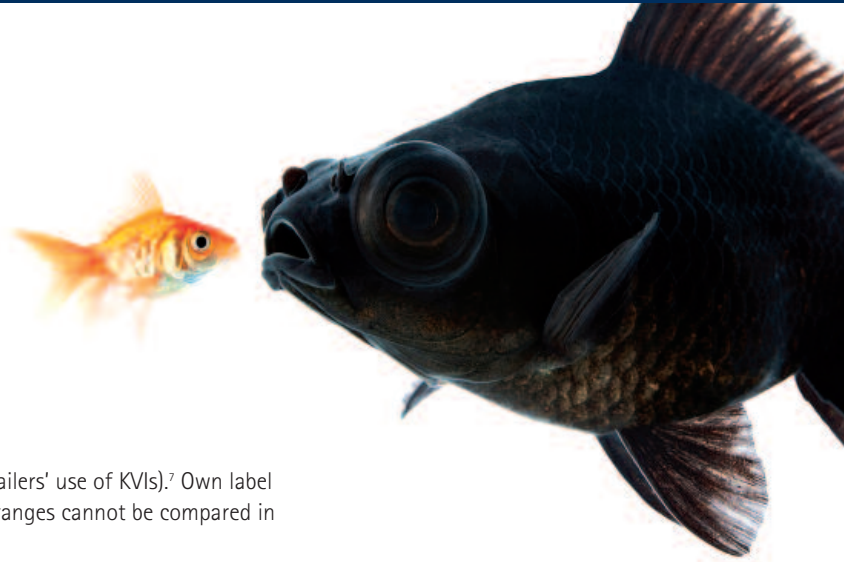
Levers of power

As significant product suppliers (via own label), major supermarkets control decisive levers of commercial influence over their branded horizontal competitors. For example they:

- control branded competitors' access to the market (through listing and de-listing decisions)
- control branded competitors' consumer pricing
- control branded competitors' rates of sale (through the number of facings on shelf and shelf position)
- control all communication and promotions in store (where shoppers are believed to make 75% of purchasing decisions)
- have access to detailed consumer data both for their own products and all their competitors stocked in their stores
- require advance sight of branded competitors' forthcoming marketing plans
- require advance sight of branded competitors' new product plans, including samples, typically six months or more before launch. This gives them a head start in developing their own competitive formulations and competitive response.

Branded goods suppliers are dependent on gaining access to as wide a distribution base ▶

Buyer power continued



as possible to have a chance to earn a return from the high fixed costs involved in product innovation, advertising and brand promotion. Large retailers recognise that they have an ability to foreclose that access through threats to restrict shelf space.

Not even the largest branded goods suppliers have significant countervailing supplier power. Suppliers of so called 'must stock' brands invariably supply a portfolio of products and brands, still need to run promotions and launch new products, and are still as dependent as any other supplier on access to shelf space to place their products on the market.

Own label as competitive constraint

In many categories, retailers free ride on the investments made by the branded goods suppliers. With the information available to retailers, they rapidly copy innovations without the development costs or the advertising and promotional investments. The copying of packaging designs, which in the worst cases amount to slavish imitation or parasitic copying, capitalises on this phenomenon. Major supermarkets also insist that brand owners invest in promotions and category growth in order to sustain listings, from which own label products directly benefit.

In most categories, private label represents the main alternative to the leading one or at most two branded products. In this way, although there is no single 'own label' brand in any given market, private label products provide very real competitive constraint at the retailer level e.g. within the stores of Tesco, Carrefour, Mercadona and so on.

The supply of own label product enhances buyer power by enabling grocery retailers to source alternative and cheaper product thus enabling them to place a ceiling on the prices of branded goods or to dispense with them altogether.

Furthermore branded goods allow shoppers to compare prices between retailers, thereby facilitating retail competition (this is seen

strongly in retailers' use of KVLs).⁷ Own label products and ranges cannot be compared in this way.



Supplier responses

How can a branded groceries supplier continue to ensure the viability of its own business in the face of the considerable buyer power and competitive advantages enjoyed by large retailers as a result of their 'double agent' role as both customers and competitors?

The main weapons in a supplier's armoury are:

- to maintain and ideally build strong brand equity
- to continue to drive innovation to preserve consumer preference and listings
- to expand the product portfolio to cushion the impact of product de-listings
- to partner with retailers to provide shopper insights and to grow the category.

These activities should lead to innovation, choice and availability, all of which benefit the consumer. That is very much as it should be. But absent vigorous competition at retail level, it is not assured those benefits will be passed on to consumers. The balance of power has very clearly tipped towards buyers away from suppliers in the groceries sector. Absent renewed vigilance from regulators, buyer power risks a reduction in choice, quality and innovation for consumers.

¹ Notably the Groceries Supply Code of Conduct in the UK; a similar code is expected in Ireland and investigations on retailer/supplier relations have been undertaken or are under way in Germany, Hungary, Norway, Portugal and Spain. At EU level a proposed code is being considered within the EU High Level Group for a Better Functioning Food Supply Chain

² © European Commission Glossary of terms used in EU competition policy, July 2002

³ and ⁴ Source: Nielsen

⁵ Source: IGD including Grocery Buying Groups, IGD Factsheet, 6 June 2011

⁶ Prices are on average 11% higher in the Swiss retail trade as a whole and 19% higher for food than in Germany, France, Italy and Austria 'Retail scene changes as Coop overtakes Migros', swissinfo.ch, 11 November 2010 (although the difference may be attributable in part to residual trade barriers)

⁷ See also brand price match mechanisms currently being operated in the UK e.g. Waitrose brand price match: 'Waitrose is now the same price as Tesco on 1000 everyday branded products. And that's a promise' http://www.waitrose.com/home/offers/waitrose_brand_pricematch.html

Study shows the value of trade marks

The UK Intellectual Property Office has published an academic study on the connection between trade marks and productivity. The report, *Trade Mark Incentives*, found that firms that are 'trade mark active':

- are 21% more productive than other firms;
- employ significantly more people;
- pay more to their employees;
- and grow employment and turnover 6% more than others.

The study suggests that policymakers encourage domestic producers to compete on product quality and variety, not just cost and price, and to use trade marks to signal their innovations.

Can branding save a village? Let's hope so...

Tim Nicol, *The MIH Centre*

I hope Richard Reed of Innocent Drinks will forgive the plagiarism of the title, shamelessly lifted from his excellent Brands Lecture three years ago.

I have just spent almost two years helping to revitalise a village and its economy via enterprise. You may even have heard about it, as we were the subject of one of the six programmes that made up the BBC1 Village SOS series broadcast this summer and presented by Sarah Beeny.

The basic premise of Village SOS is an experiment between two of our great public sector bureaucracies, the BIG Lottery Fund and the BBC, to see if the application of enterprise can inspire a rural revival in villages throughout the UK.

More than two years ago a call went out to villages to apply for the chance to win £400,000 of funding for projects which were inherently financially sustainable and not just the usual approach of a capital grant for a construction project. Village SOS had a couple of interesting twists in that the BBC would follow the process and televise six winning villages in their quest for funding and their experiences in making something out of it.

Furthermore, each village was to get the services of an external expert, a so-called Village Champion, to help manage the project and provide some full-time expertise for the first year. I was daft and vain enough to apply to be a Champion, having spent ten years in consultancy and at an age when thoughts turn to doing something more lasting and worthwhile than writing proposals and reports.

To cut a long story short, I was selected by the handsome village of Tideswell in the Peak District to help plan and execute something called 'Taste Tideswell'. Taste Tideswell is an innovative project to boost the local food economy and bring more prosperity to Tideswell, and by doing so preserve and develop local food retailers and manufacturers. Taste Tideswell helps locals and visitors alike to

appreciate their food and drink for what it is, what it does, and where it comes from.

When people understand more about their food, we believe they will want to shop and eat more locally. The project follows the local food chain from 'plot to plate' and offers activity and learning in growing, making, cooking, brewing, and tasting good food and drink. At its heart is Tideswell School of Food – a cookery school with a commercial kitchen, nano-brewery and conference room included. This is where half the grant money was spent, in converting a property in the centre of the village and setting it up as a commercial business and a community asset for the village. Taste Tideswell now employs nine people (5.5 FTE) including an Education Officer who goes out to teach growing and cooking to schoolchildren at Key Stage 2&3.

I started working with the village in November 2009, at the stage when Tideswell was one of 25 or so shortlisted villages for the lottery funding and the plans were still on the drawing board. I worked with a team of very competent and enthusiastic village activists to develop our plans and the lottery bid, and in May 2010 we heard we had been selected as one of the lucky six villages to receive funding and TV coverage. As a consequence it was time for me to hit the pause button on my own business and move to Tideswell for 12 months to make things happen.

Why? For many years I have felt uneasy with the public image of the so-called profession of marketing. In the minds of many of the general public, 'marketing' means persuasion – typically selling – and is typified by dodgy promotion techniques and irritating advertising. I trust I am on safe ground with the readership of this newsletter by saying that there is more to it than that. I have been in marketing and branding for most of my 30-year career and I learned from an early age at Mars that true marketing is at the centre of most successful enterprises and that branding

is an essential technique that builds the balance sheet and the bottom line whilst giving pleasure to consumers.

One of my motivations for taking part in VSOS was to see if marketing and branding techniques could do some wider good for communities as well as companies. I have lived in a village myself for more than 20 years and have learned that the more you put in to a community, the more you get out. Villages die through neglect, inertia and apathy, and we all regret it when they become soulless dormitories rather than thriving communities. So marrying my professional experience with a personal mission, I set out to see how branding could help Tideswell.

The first lesson was to avoid using marketing terminology or jargon. This even extended to the word 'brand'. I was continually pulled up by the BBC producer/director if I used the 'B word' on camera. I might have got away with it on BBC 2 but on BBC1 it is a different matter (and audience, apparently). Even when I was filmed talking about the 'Tideswell Made' brand itself, I had, reluctantly and inaccurately, to use the word 'label'.

In my dealings with local shop owners and producers, I had expected a little more marketing literacy than I found. I thought the general public was supposed to be marketing savvy and switched on to all the techniques we regard as common currency. Not a bit of it. My experience was that most local traders specialise in their craft or trade and I needed to talk their language, not expect them to learn mine.

So, for example, I didn't talk about 'developing business'. I said I was trying to 'put a queue outside their shops' or 'increase trade'. Of course before you can communicate effectively you have to earn the trust of your audience. This wasn't always easy or fast but I found that by not aligning myself too definitely with any of the wonderful tribes ►

Can branding save a village? Let's hope so...

that make up English society, and just getting to know people, I managed to keep the lines of communication open and mutual understanding followed soon after.

One of the key expectations of me was to develop the brand proposition and identity for the project as whole and the two main commercial arms, The Tideswell School of Food and the 'Tideswell Made' branding scheme. Being in my comfort zone of brand planning for once was a pleasure and it made a change from discussions on kitchen worktops, accounting software and job descriptions.

From the start I wanted to ensure that whenever the project was discussed or communicated, a clear and consistent message was used. We developed a one-page summary as a team and used simple labels like 'Grow It, Make It, Cook It, Sell It, Share It' to frame the project. When it came to brand planning and design I needed expert help, so I ran a selection process for local agencies in Sheffield and Derbyshire and was delighted with the general quality of response.

I went with a branding and design-led communications agency, Peter and Paul of Sheffield, and I am pleased I did. It may have seemed like overkill to many but we went through the disciplines of research, immersion in the village, planning and a thorough approach to the brand architecture and positioning. Not much of the material we developed made it to the shopkeepers but it was proof to me that you can translate the attributes and personality of a village into a brand. Identifying the emotional and rational buy-in to the proposition was crucial and as a team we developed a better understanding of the role of 'village pride', for example, and the distinctiveness of the village that is rooted in its history and geography.

The execution of the logos and liveries was, as always, a milestone on the development of the business and, as you may have seen on the TV programme, we had two options to show the village. I foolishly opted for a democratic approach and at the first showing the majority went for what I considered to be

the wrong one. I did feel the need to sell the virtues of the route I felt was right and fortunately the village came round to my way of thinking. The logo is a solid, straightforward capital letter 'T' but with a cheeky bite taken out of it. It works on the 'Taste Tideswell', 'Tideswell School of Food' and 'Tideswell Made' brands equally well and each one pays in to the other.

We think we have a real property in the logo and the names and, following good practice, we have managed to register the word 'Tideswell' and the logo as trade marks, thanks to Dawn Franklin of BrandRight®, a member of the British Brands Group. The accompanying liveries and design guides also reflect the true qualities and personality of the place, and we have had nothing but positive feedback on how it all looks. We have a brand manual, positioning wheels and templates for communication and I hope it shows in the consistency.

The marketing budget wasn't huge but we chose to spend a hefty chunk of it upfront on getting the designs and positioning right. After that, signage, stationery and interior design suddenly all fell into place.

The project overall is still young and has had the massive boost of a one hour prime-time programme on BBC1, so the village, not surprisingly, is buzzing. Tills are ringing, a couple of new shops have opened and the School of Food is taking record bookings. We have had hugely successful corporate day events and artisan businesses are starting to use the commercial kitchen and sell food outside the village. The true test of financial sustainability will come when the novelty peak is past, but by lodging the village in the minds of millions in a way that predisposes them to buy our wares, we hope to keep putting those queues outside our doors for years to come.

www.tastetideswell.co.uk
www.tideswellschooloffood.co.uk
www.mihcentre.co.uk
www.peterandpaul.co.uk
www.brandright.com

The power of brands

Why are brands important to retailers? Belgium's brand association BABM commissioned research house GfK to investigate. GfK identified consumer groups that were 'brand lovers', particularly double income couples with no kids, high-income retired households and high income households with children. It found that 'brand lovers':

- spend more per household, contributing more to retailers' net profits;
- shop more frequently;
- are more loyal to a specific retailer (when compared to 'switchers' or own label lovers), visiting fewer retailers;
- spend more on high margin categories;
- generate more impulse purchases.

Brands were also found to drive category growth, from which own label products also benefit. A copy of the research is available from John Noble (jn@britishbrandsgroup.org.uk).

British Brands Group

The British Brands Group represents the interests of brand manufacturers in the UK. Membership comprises companies of all sizes across a wide range of product sectors.

The role of the Group is to build in Britain the optimum climate for brands to deliver choice and value to consumers, through constant innovation and fair competition.

The Group is the UK representative of AIM, the European Brands Association based in Brussels.

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