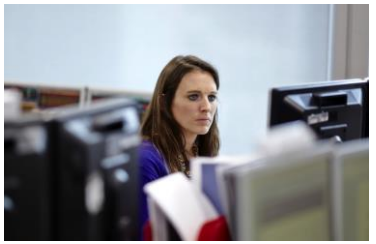
Branding to avoid commoditisation

April 2016



Piers Currie

Group Head of Brand

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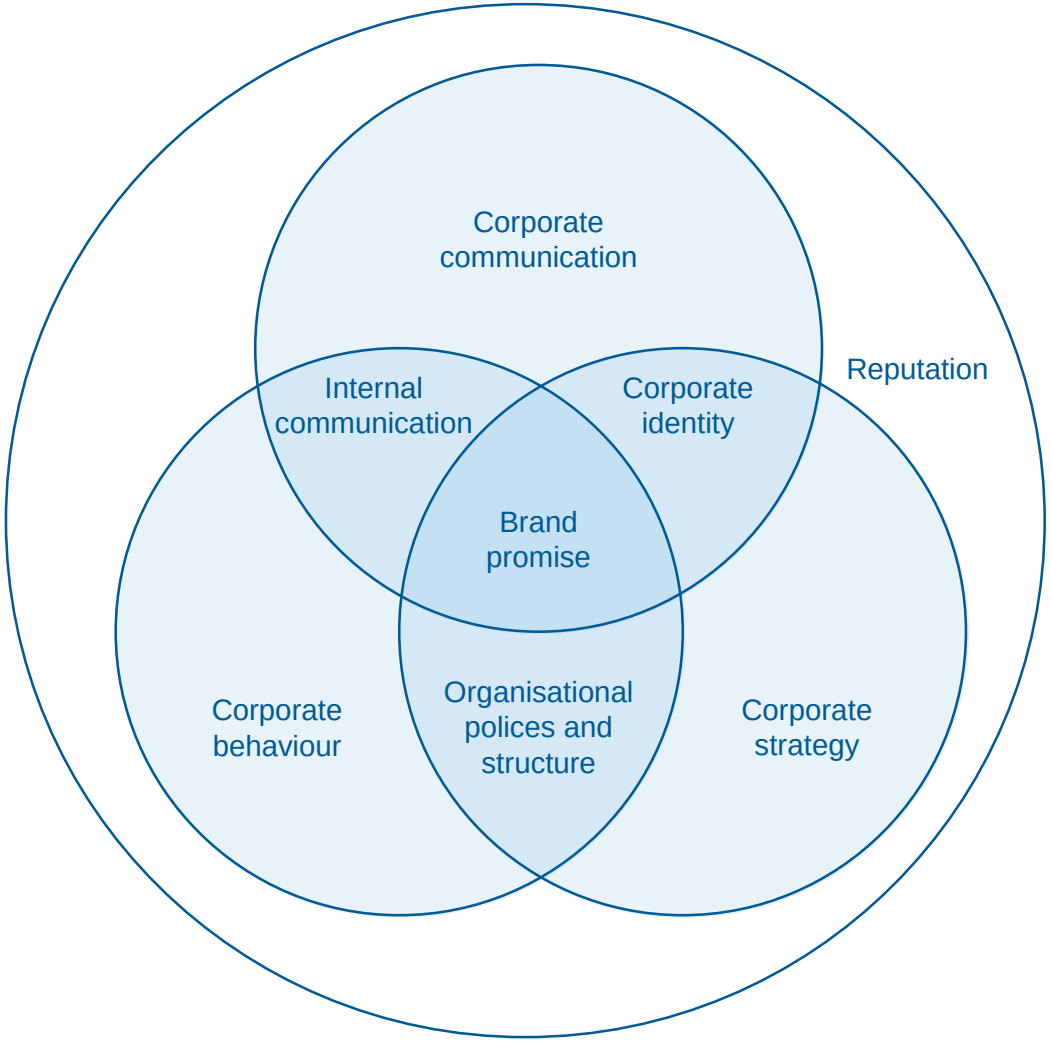
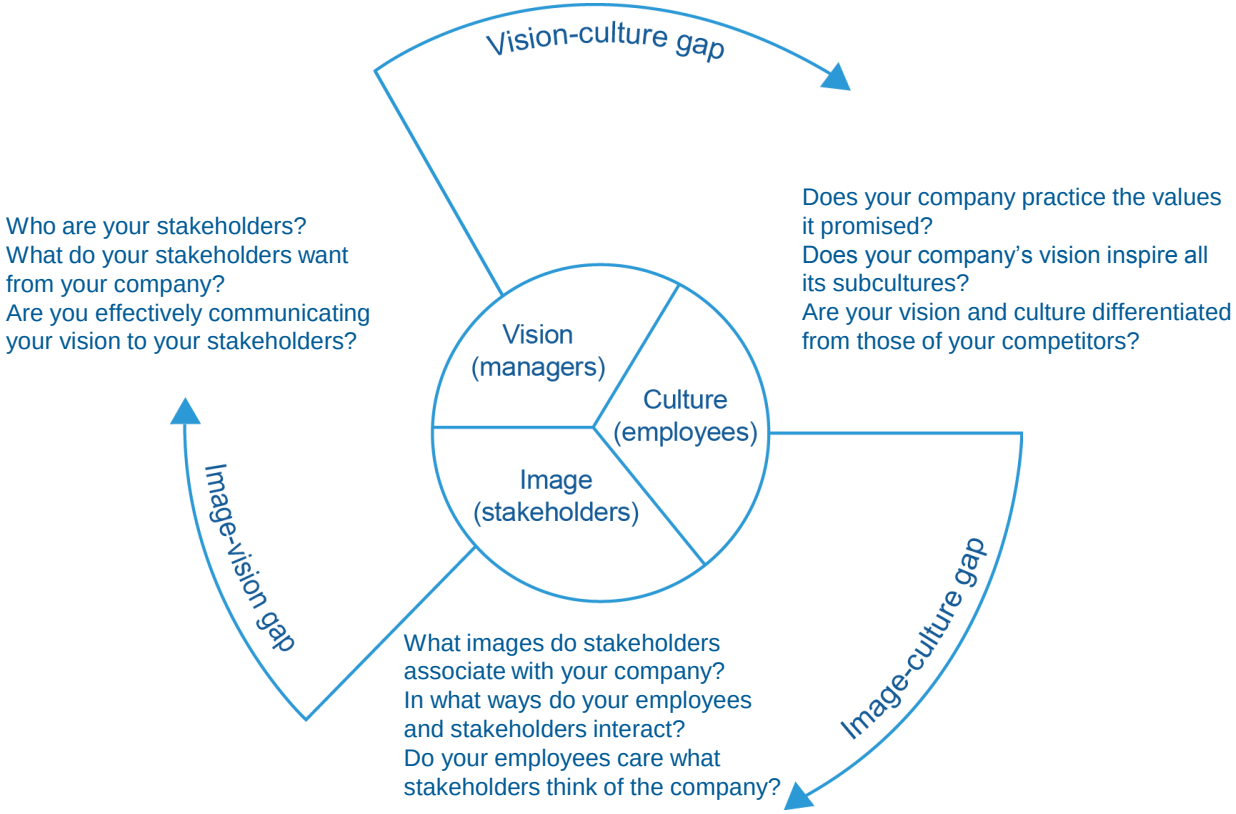
Brand promise in context



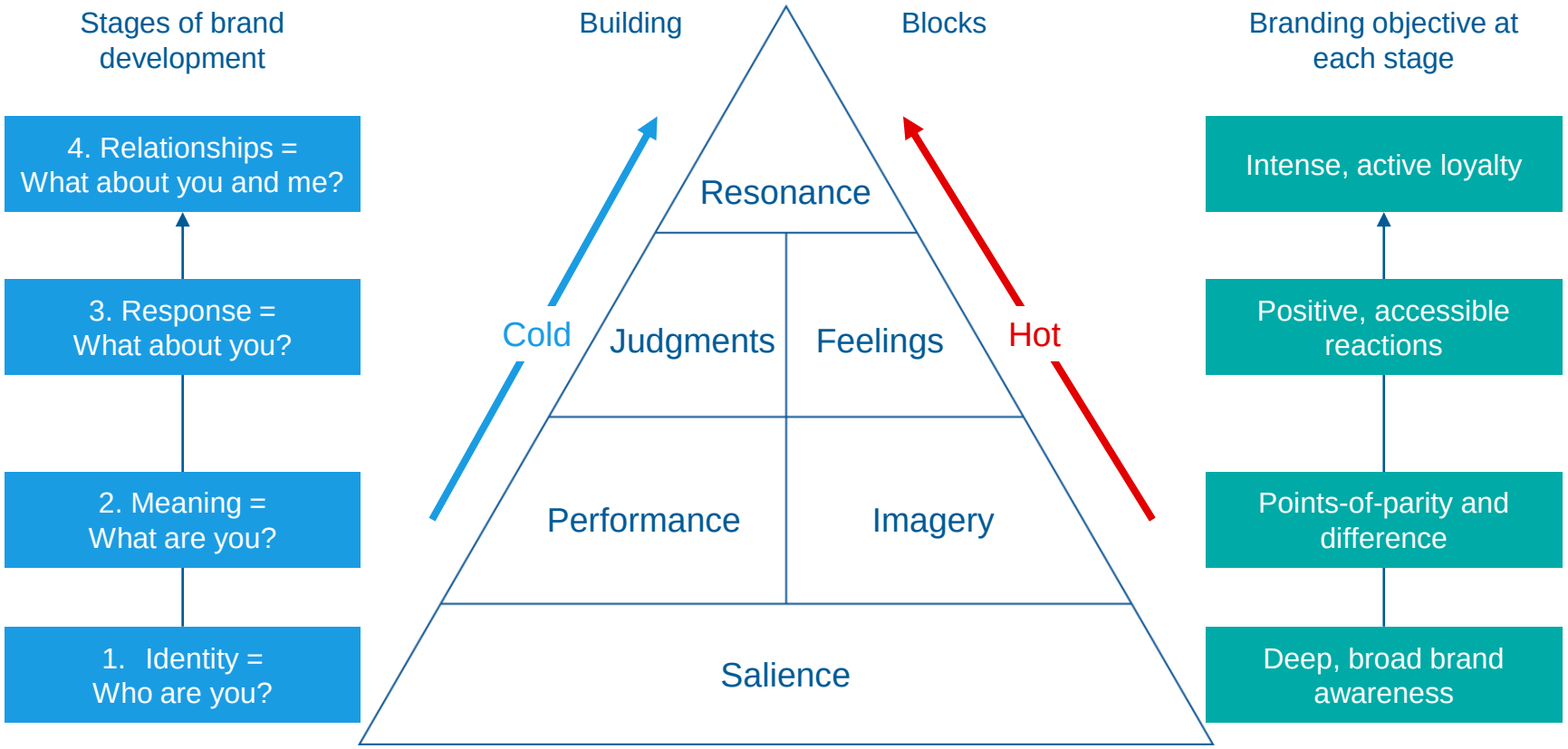
Vision, culture and image interface for corporate branding

Vision	Culture	Image
Top management's aspirations for the company	The organisation's values, behaviours, and attitudes – that is, the way employees all through the ranks feel about the company they are working for	The outside world's overall impression of the company. This includes all stakeholders – customers, shareholders, the media, then general public and so on.



Source: Mary Jo Hatch, Majken Schultz: "Are the strategic stars aligned for your corporate brand", February 2001, Harvard Business Review on Marketing

Brand pyramid, the building blocks



Source: Professor Steve Hoeffler, 'Building, measuring and leveraging strong brands' Atlanta

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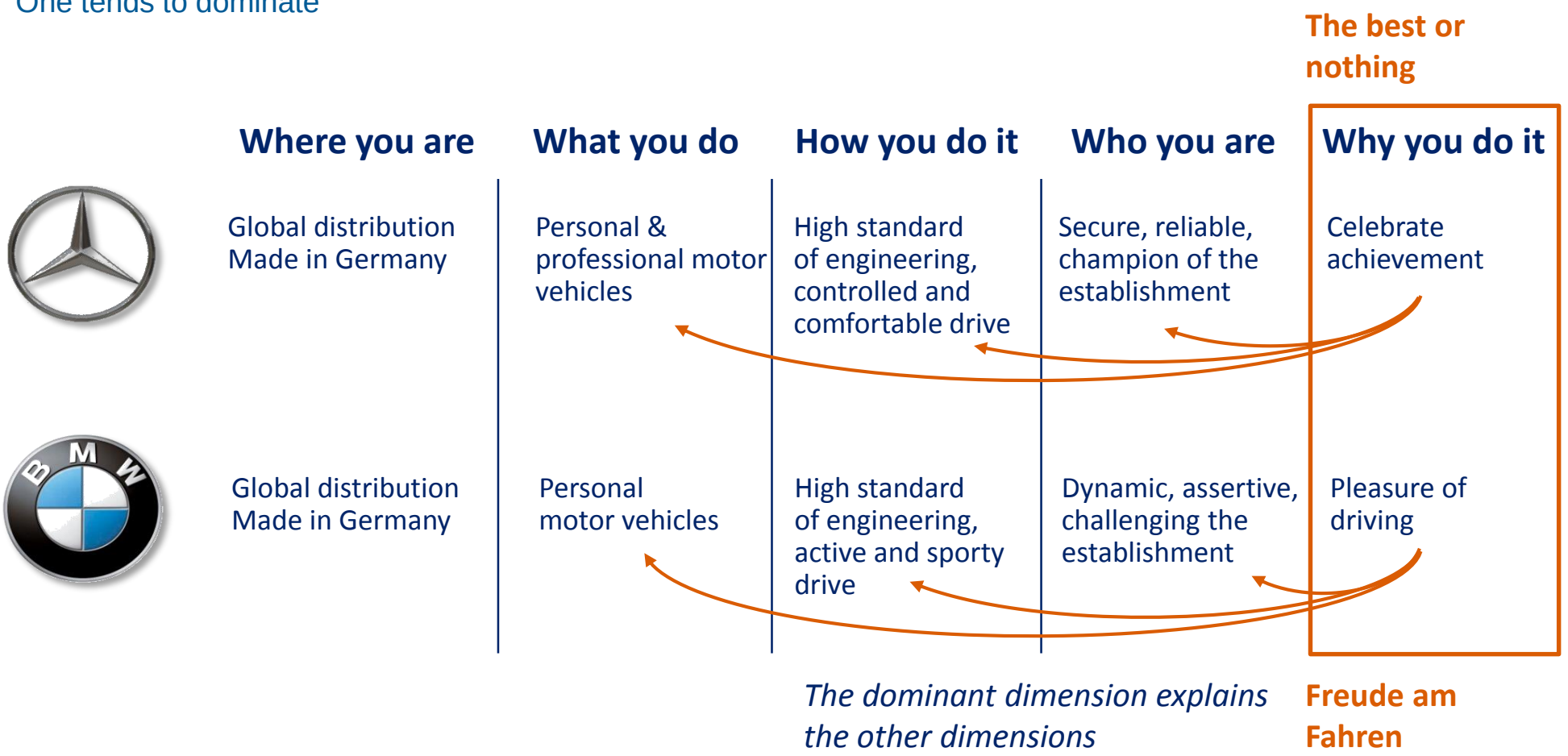
How corporate branding differs from product branding

	Product brands	Corporate brand
Focus attention on	The product	The company
Managed by*	Middle manager	CEO
Attract attention and gain support of	Customers	Multi stakeholders
Delivered by	Marketing	Whole company
Communications mix*	Marketing communications	Total corporate communication
Time horizon	Short (life of product)	Long (life of company)
Importance to company	Functional	Strategic

* These two differences between product brands and corporate brands were offered by Balmer (2001a)
Source: Mary Jo Hatch, Majken Schultz, 2003, 'Bringing the corporation into corporate branding'

Five aspects of branding

- One tends to dominate



One dimension tends to dominate

Where	What	How	Who	Why
AIB Allied Irish Bank	BARCLAYS	DIRECT LINE	Virgin money	The co-operative bank
Bank of America	citibank	METRO BANK	AMERICAN EXPRESS	Fannie May
RELIANCE	PIMCO	charles SCHWAB	BERKSHIRE HATHAWAY INC.	中国投资有限责任公司 CHINA INVESTMENT CORPORATION
UBS	Moody's	Goldman Sachs	Merrill Lynch	THE WORLD BANK

Classic dilemma: single or multi-brand strategy?

Branded House
Corporate brand = product brand

House of Brands
Corporate brand separate from product brands

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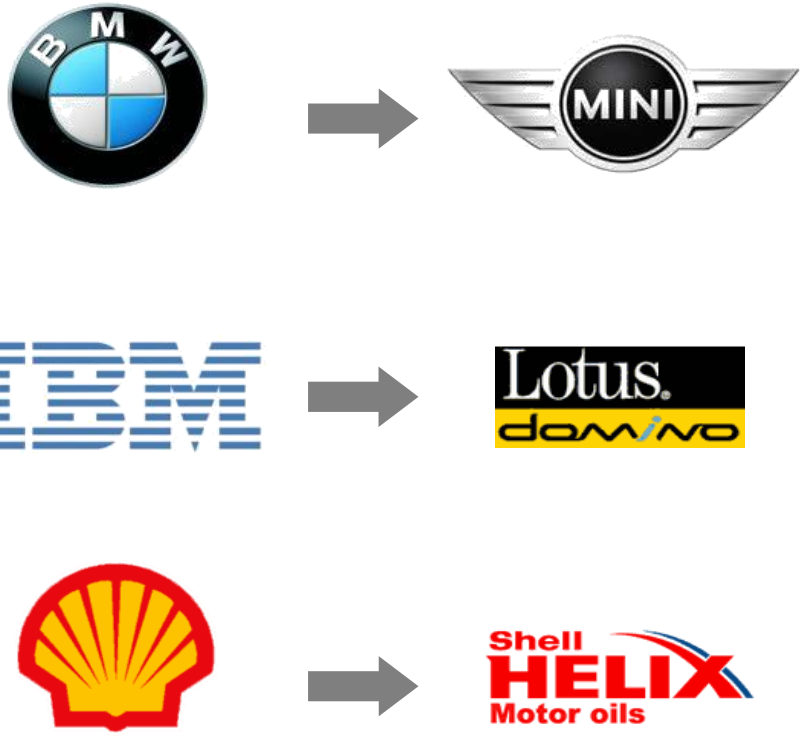
Branded Houses are diversifying

Brand portfolios are expanding in order to accommodate new products, acquisitions or target segments



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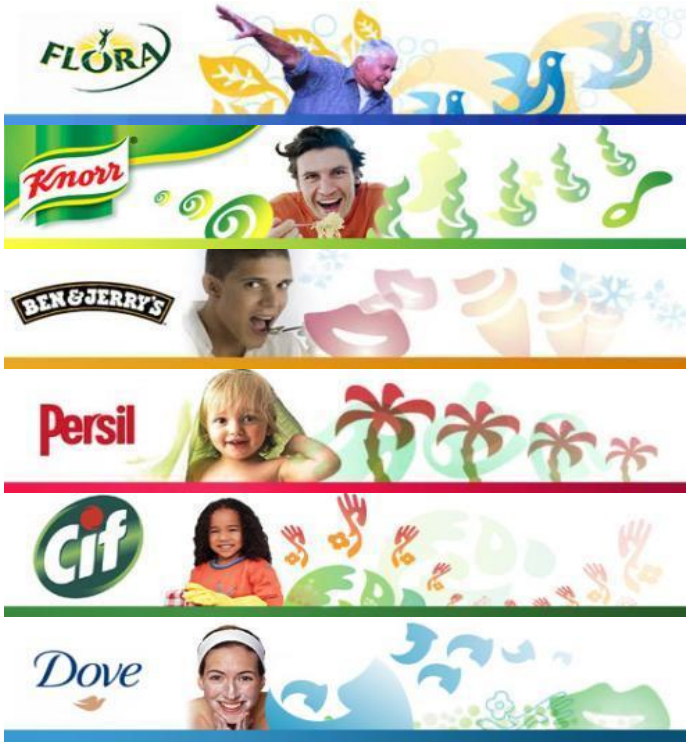
Houses of Brands are consolidating

Brand portfolios are contracting in order to improve economies of scale in communications
Unilever recently consolidated its portfolio from 1600 to 400 brands and aims for further reduction



Unilever

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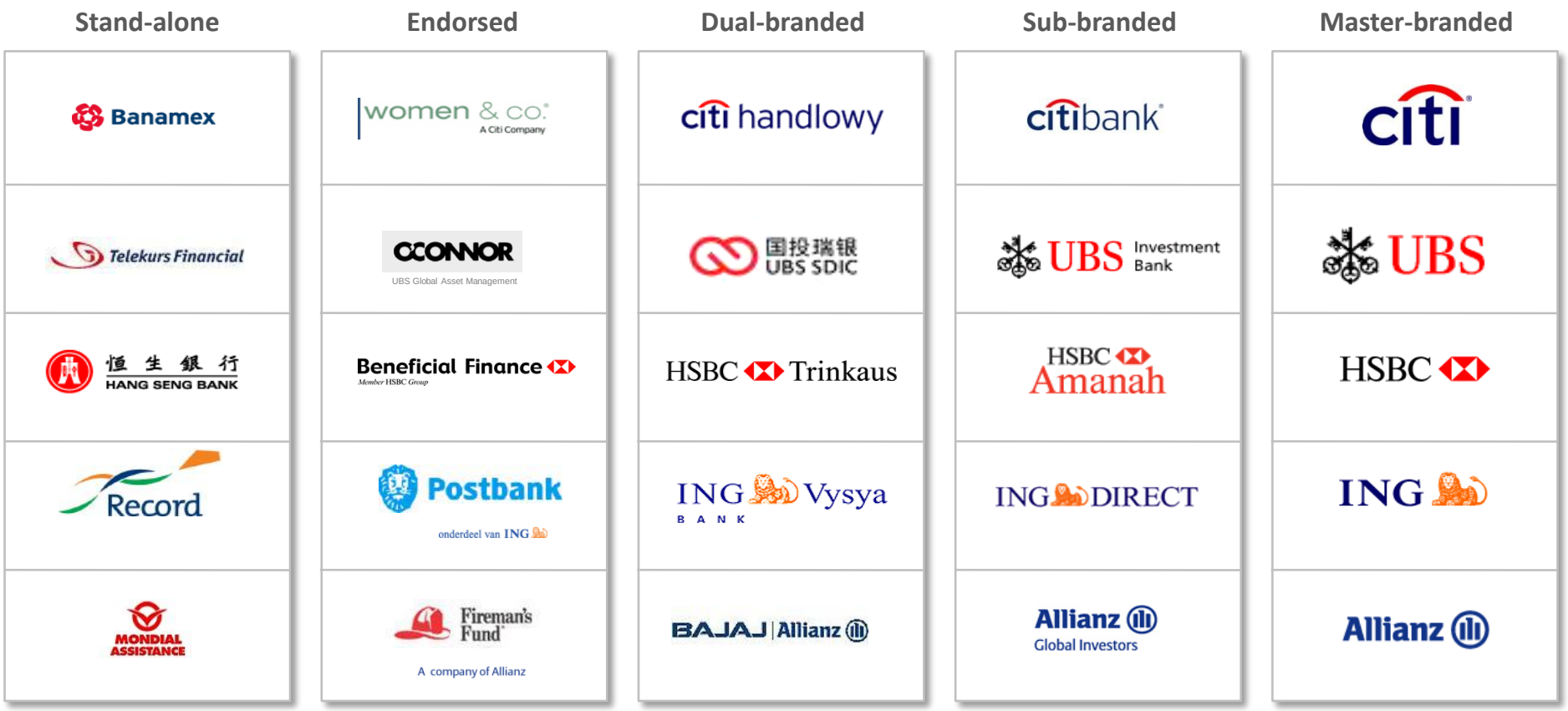
Framework applied to Financial services



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Decision criteria

Control

Business ownership

Trademark protection

Synergies

Adjacency of proposition

Relative brand power

Audience fit

Media overlap

Distribution channels

Risks

Divergence of proposition

Diverse price points

Channel conflict

Market confusion

Market dominance

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Stakeholder segments

Stakeholder	Brand goals	Measures
Customer	Grow market share (acquisition, retention) Increase customer spend (premiums, repeat purchase, share of wallet)	Awareness/familiarity Preference/perceived quality Loyalty/recommendation
Talent	Attract and retain best talent Every employee is an advocate for the company	Ranking in 'Preferred employer' survey Understanding of corporate goals /values Employee commitment
Society	Good will from the community, regulators, unions and NGOs	Ranking in 'Most admired company' Public trust
Industry	Preferred choice of partners Preferential terms	Perceived industry leadership
Investors	Recognition of intangibles in share price 'Benefit of doubt' during market turbulence	Support for strategy Confidence in management

Our stakeholder scorecard is not just of our customers, but our talent, the wider world, our sector and investors.

These groups substantially overlap and influence one another.

Perceptions of identity: services, communications, environment, people

Brands and branding

Source: The Economist: 'Brands and branding'

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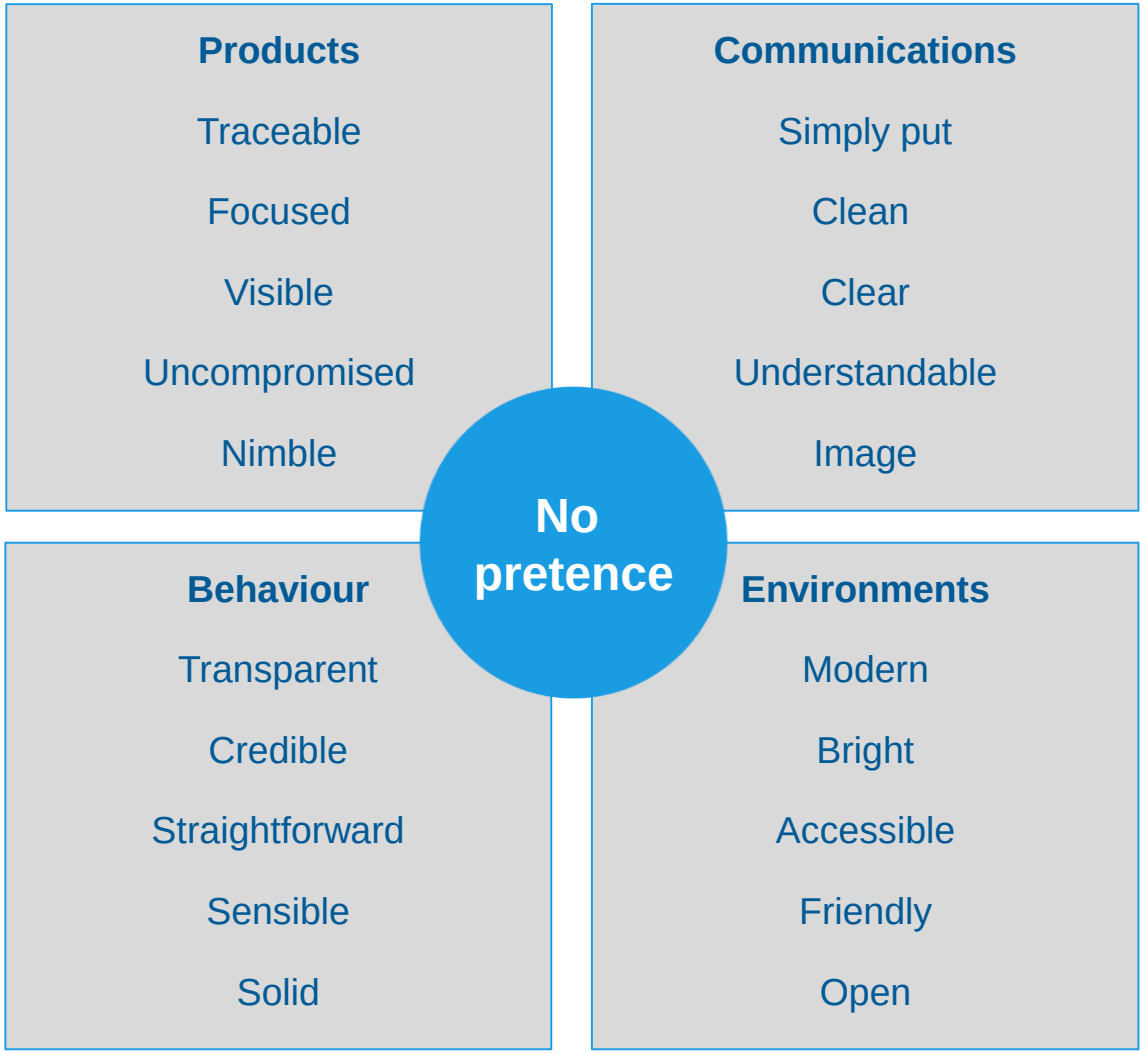
One idea, four areas to manage: **desired outcomes**



Our beliefs

Focus

We don't try to be all things to all people. We concentrate on doing what we do best and nothing else. That means we are – and want to remain – a pure asset manager, without the distractions of other activities.

Independence

Unlike many of our competitors, Aberdeen isn't part of a big bank or life assurer. We are one of the world's largest listed independent asset managers – so the choices we make are made because they're the best for our clients, our business and our people.

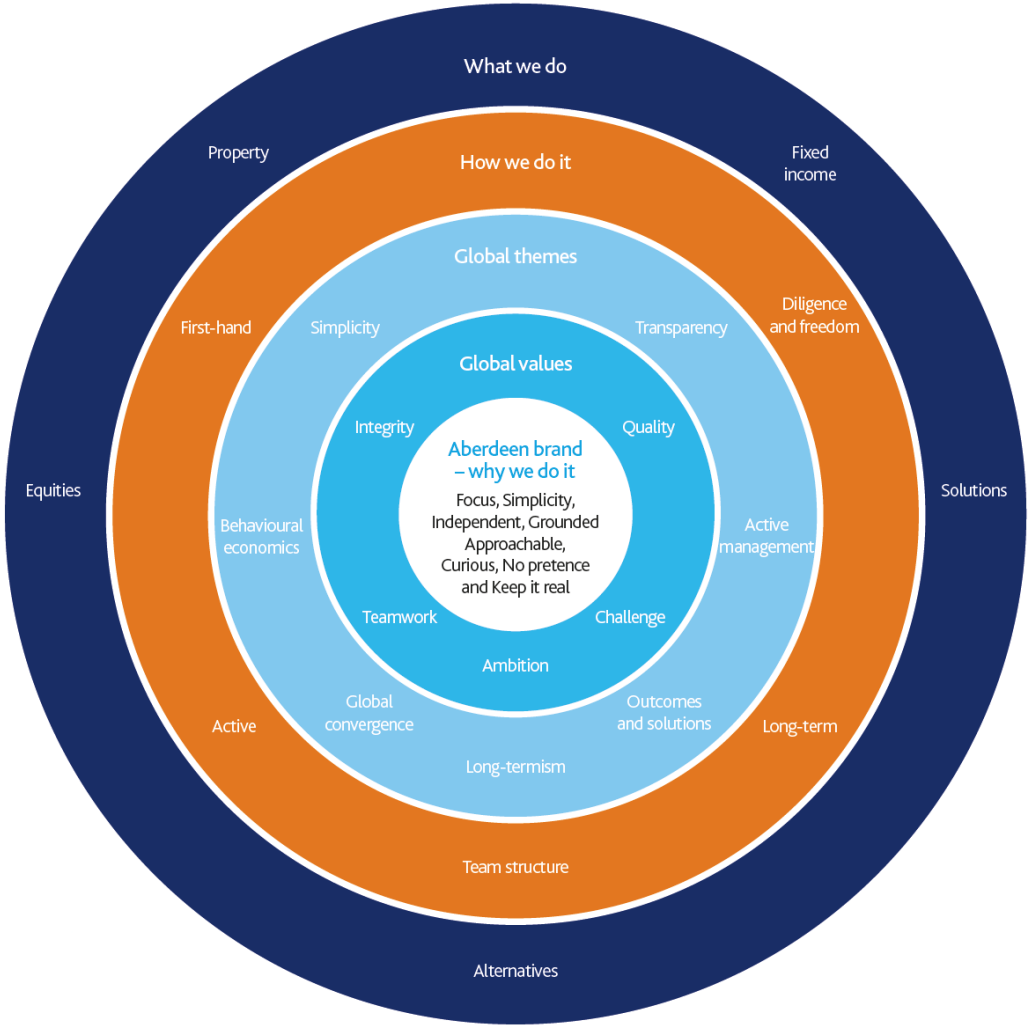
Simplicity

We are passionate about being clear and straightforward – whether it's our process for selecting investments, the structure of the products we offer or how we talk about markets. Many of the problems in financial markets have stemmed from complexity, obscurity and lack of understanding – we do all we can to counter that.

Collaboration

Plenty of companies talk about inclusiveness but we do it. Look at any organisation chart for Aberdeen and you'll see we have a flat management structure. Everyone is invited to contribute opinions and ideas. All views are valued. And because we're collaborative you won't find star fund managers at Aberdeen. We nurture collegiate investment teams working within clearly-defined parameters to ensure continuity of performance, year after year.

Openness

True to our Scottish roots, Aberdeen is about being down-to-earth. When working with clients and with each other, we look to be open, say what we mean and invite others to do the same. Most of our offices are open plan – a physical expression of this.

Values and themes at the core of our brand