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## Lusting for the best - why brands matter

By K Jayshankar



The world's most valuable brand just got bigger. A few days ago, Google pulled out another rabbit from its magic hat: Buzz. While the jury is out about this social networking initiative, you can be sure that the folks at Facebook, Twitter and Linked are on high alert already to counter this new challenger on their turf.

Be that as it may, let us understand the phenomena of Brands. Last year, it emerged that Google's brand value had touched a historic high of USD 100 billion, as per the research report called BrandZ by Millward Brown Optimor. This study puts a financial tag to the consumer attractiveness of a product and an interesting insight offered was that even in the turbulent global economic phase of the last two years, companies with strong brands have sailed through rough waters and emerged stronger with higher brand value. In other words, being anchored with strong brands is a great way of de-risking your business.

This message echoes well with all the experts in the marketing arena. To them, the Brand is what consumers are paying for - not the product per se. In a crowded, competitive world of me-too products, brands give you an identity, distinct enough to create aspirations in consumers, and valuable enough for you to seek a premium too at times.

Given the abstract nature of brands, studies have tried to explain why consumers want to - nay, crave for - certain products? Why, for instance, does Starbucks mean coffee or how is Coke the real thing? Well, without getting into the marketing jargons of the day, let us understand it simply that a brand is a construct that appeals to you in multiple ways. While there is a certain appeal that draws you to it, the reasons may well vary. To some, it is the seal of quality, to others it is a way of de-risking in a clutter-filled existence. While still many others find in the brand a promise of fulfillment tied to a psychological world!

It is important to appreciate that the power of brands is so alluring that everything else seems unworthy of mention in their context. Brands offer us reassurance in a world of uncertainties and we know that if a brand makes a promise, it will be valid. Often, in a new land where there are strangers all around us, it is a brand that offers us the closest connection to the known. This is also why, despite their country of origin, brands cut across geographies and create transnational loyalties.

Suffice it to note that smart marketers and advertisers - unmasked to the world as the 'Hidden Persuaders' in Vance Packard's classic work as far back as 1957 - know human psychology well enough to arouse a need in you when you thought you didn't have any!

According to the 2009 study done by Interbrand, a leading consulting firm, 11 of the top 15 brands in the world are from the United States, 2 from Germany, 1 from Japan and 1 from Finland. Effectively, this reflects the state of affairs of business power in the world. The study also shows that the world's number one brand continues to be Coca-Cola and the only other non-US brand in the top 5 is Nokia (Finland).

What magic or witchcraft is needed to build a brand? The short answer: a decent product and deep pockets. Experts tell us that this is a long-term investment and we do know that companies pay millions of dollars to those considered as brand gurus as they promise to make our product well known. This quest has even led countries to pump money to shore up or even re-position themselves in the global markets (as attractive centres for investment, tourism, culture, etc.). However, in today's world, brands no longer are accepted without question. Whether it's the financial brand (like AIG, Lehman Brothers) or auto brands (like GM, Toyota, etc.), many have failed us and added to the uncertainty that consumers always sought to avoid.

Are there new brands emerging from the developing world on the world stage? Not by far. Steps, however, are being taken to come out of the shadows through the acquisition route. Firms from China, India, Turkey (not many know that Godiva Chocolates is owned by Yildiz Holding, a Turkish firm), etc. have been eyeing plum and premium picks from the unstable markets that have struck down marquee names.

An interesting element is that a study shows that currently, only three foreign brands are in the top 10 consumer brands in China. This is not only a legacy of the earlier closed economy but also a reflection of preference for more value for money products that come unencumbered by large global branding costs. With domestic consumption growing strongly in a robust economy, global brands have made a beeline to China and have made sizeable gains in many segments. Indeed, the market for high-end luxury products has seen huge growth, both in China and India.

In India, on the other hand, a survey of the most trusted brands shows only two Indian brands in the top 10 (with Nokia being the most trusted brand). This is a clear indication that local brands have a long way to go to create stickiness with customers. On the global sphere, interestingly, brand Bollywood seems to be making waves in its own way.

What of Nigeria? A controversial first step, of course, would be to check what Brand Nigeria itself stands for. The presence of the Superbrand initiative in Nigeria is an indicator that brands are going to become more prominent as the economy moves forward, because the business world appreciates that 'business is marketing' and a powerful brand is an irresistible magnet for consumers.

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