

# ONBRAND

ideas, thoughts & commentary

#01

This month's On Brand looks at fakes (brands and branding agencies) and suggests how marketers can avoid hiring the wrong consultant!

There are people who still doubt the value of brands but fraudsters are all too aware of the value of brands and steal them – everyday!

That's not just a blatant disregard of Intellectual Property but theft on a mega grand scale!

Not to be outdone, the communications industry keeps up with the latest trends and has its own well disguised fraudulent branding consultants; nameless and faceless 'experts' selling their skills 'building brands' with pedestrian thinking and formulaic creativity.

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# Double Jeopardy for Marketers. Fake brands and now fake branding agencies

#02

There are still skeptics who doubt the true intangible value of brands; probably the same kind of people who are 'not affected by advertising' and for whom real value must be 100% tangible, edible or parked in their garage.

In the 1980's accountants finally acknowledged brand value as a balance sheet asset - albeit an intangible one, and set about finding ways to value brands. If there are still intelligent law abiding people out there who doubt the cumulative effect and value of branding, there is a frighteningly large group of fraudsters who are all too aware of the value of brands and actually steal them – everyday!

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## #03

The mass production brought by the Industrial Revolution was the first time there were more products and more choices than buyers! Fierce competition and the need to differentiate products eventually lead to the emergence of the advertising and branding industries.

### It's a lot easier in the Brave New World

Opportunities for legitimate marketers as well as the purveyors of fine counterfeit products have been brought by globalization, the internet, open economies and free trade arrangements. All of this has helped legitimate business as much as the world's crooks, fraudsters and counterfeiters.

Interpol estimates the growth of counterfeit trade to be greater than legitimate trade and experts put the cost of counterfeiting at a staggering 7 to 8% of the world's GDP.

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## #04

In China alone, counterfeit sales value over US\$ 16 Billion every year. Big brands are seriously affected with fakes estimated to account for up to 40% of Procter and Gamble, nearly 90 % of Software and up to 50 % of Honda sales. That's not just a blatant disregard of Intellectual Property but theft on a mega grand scale!

Top end fashion accessories were the first to suffer from blatant counterfeiting, often knowingly purchased for novelty value! Louis Vuitton and Rolex watches, now politely referred to as 'replicas' are widely available.

At the bottom end, even the humble Hanoi Taxi has competition from drivers blatantly masquerading as the real thing. For tourists, they're hard to distinguish from the genuine article. Annoying and amusing but an Intellectual Property rip off all the same.

Marketers worldwide are being skinned alive by counterfeiters and there is no end in sight because the longer it goes on the more acceptable it gets in the minds of consumers, many of whom have little regard for the law and think genuine brands are too expensive anyway.

More hard and alarming facts on counterfeiting; Pfizer, the world's largest drug-maker estimates that it may be losing sales of \$2 billion a year on Viagra alone!

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## #05

### The fake branding agency is also hard to spot!

To add insult to injury, brand owners are now also increasingly becoming the victims of fake branding agencies.

As you'd expect, the communications industry keeps up with the latest trends and has its own well disguised fraudulent branding consultants; nameless and faceless 'experts' selling their skills 'building brands' with pedestrian thinking and formulaic creativity.

So how do you know you are dealing with a legitimate professional? How you can be sure your investment in branding will result carefully strategized, crafted, designed and cost efficiently implemented branding?

When Branding Consultancies and Advertising agencies spring up claiming to be experts simply because they say they are, there is sometimes no clear cut answer to this question.

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## Sure.....!?

#06

You need to be sure you're dealing with a genuine professional who's right for you. See which ones you think have done the best job of communicating their own value. But be careful; printers, web designers, public relations companies, advertising agencies and one man band marketing consultants all claim to be qualified, provide a full house of brand strategy, corporate identity, graphic design and advertising. And they usually and know all the right jargon!

### Conversation starters to flush out a fake!

- What's your definition of a brand?
- Where does corporate identity and branding merge?
- What is your philosophy on brand architecture, sub brands and brand extensions?
- How would you measure the value of a brand?
- What's the basic difference between advertising and branding?
- Tell me all about sonic branding's role in the marketing mix.

Before you appoint anyone, make sure they understand business in its broadest sense and get them to tell you what their philosophy and methodology is, exactly what you can expect from them, and how you can measure what you get. And most importantly cut through the jargon!

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#07

A boardroom presentation is always attended by the big wigs. Make sure you know exactly who will work on your account. Spend time with them, make sure you like them and check they are as smart as their presentation and web site implies.

The threat to the value of brands from counterfeiters is obvious, and growing. It's ironic that branding consultancies without the right qualifications now also pose a growing, but more insidious problem.

Don't rush things! A fake branding agency can be an expensive mistake

A genuine branding consultancy with patience, depth and a sense of humor?

If you find one grab it!

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