

Brand Licensing Case Study

E-Bike Engines and Components
Central Europe

BLAUPUNKT
PROPHETE E-Bikes jetzt mit
BLAUPUNKT Antrieb
Kompetenz in Elektronik



"We recognize that the GIP team is passionate about the BLAUPUNKT brand, especially when it comes to selecting new licensees and taking care of those licensee's product quality. Without a doubt, we benefit from positive cross-industry brand reputation."

Christian Depping, Head of Purchasing, PROPHETE

As a family-owned SME, our licensee, PROPHETE, can look back on more than 100 years of company history. In the cycling industry, PROPHETE is an innovative and fast-growing leader. They provide cycling products to hypermarkets and online retailers, and they are the market leader for many different product lines in Germany and Europe. PROPHETE partners with leading engine suppliers, but they also invest a lot in their own development. To save time and money, they decided to label their engines, controllers, and batteries with a licensed brand instead of creating and promoting their own white label. The e-bike business grew rapidly, and PROPHETE benefited above average from this trend. As a result, they needed a second brand; for this extension, BLAUPUNKT was their first choice.

Region:

- Germany, Austria, Switzerland
- Neighboring countries

Product Categories:

- E-Bike Engines, Batteries, Controllers

70,000

BLAUPUNKT equipped E-Bikes sold in the first full contract year

24h

the time it took for the online inventory of thousands of e-bikes to sell out at one of the major retailers in Germany.

5%

market share* in the first full contract year. (5% of all E-Bikes sold in Germany were equipped with BLAUPUNKT components.)

Challenges:

As a supplier for almost every price level, PROPHETE was looking for an established electronics brand for its mass-market and online channels. They wanted a brand that would meet the needs of these segments while differentiating itself from other available brands.

Solution / Result:

Adding BLAUPUNKT as an additional brand was their first choice. With its heritage dating back to 1924 and its extremely high brand awareness in PROPHETE's core market, BLAUPUNKT was the perfect match. Moreover, BLAUPUNKT has always been known as an innovative electronics brand. This fact made it easy to transfer this perception to the relatively new business field of E-Bikes.

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Christian Depping is the Head of Purchasing of the BLAUPUNKT licensee PROPHETE and is sharing his story:

Mr. Depping, can you please describe the relationship between PROPHETE and BLAUPUNKT?

PROPHETE is one of the market-leading suppliers of Bicycles and E-Bikes for the German-speaking countries and in many other European countries. We have our own development department and factories. In the past, we used to be one of the major OEM producers. Today, our business has changed, and we launch most of our bicycles and E-Bikes under our own brand PROPHETE. When it comes to components of our E-Bikes, such as engines, batteries, or controllers, we are mostly sourcing complete units from major brands. But we are also investing in our own development. These products are being labeled with one of our two licensed brands. We most recently added the BLAUPUNKT brand in 2018, and it has been an enormous success.

BLAUPUNKT hasn't been in the E-Bike or Cycling business before. Despite this, you decided to sign a licensing plan with BLAUPUNKT. Why?

BLAUPUNKT has extraordinary brand awareness in the market segment that we are targeting. The

BLAUPUNKT brand is associated with electronics, the mass-market business, and is easily expanded into new categories. The results showed us that BLAUPUNKT, with its diverse perception on the market, was a better choice than a specialized industry brand.

Additionally, we believed it was kismet that BLAUPUNKT and PROPHETE have a similar origin story. We both were founded in the same era. Also, since the beginning of the last century, we both have had a very successful and rich German heritage.

How does the cooperation between you and the licensor work?

Working with the BLAUPUNKT / GIP licensing team is very effortless and professional.

We already had a good impression before we even started our negotiations. During the day-by-day business, we benefit from BLAUPUNKT's expert cooperation. Regardless if it is about reporting, invoicing, or the approval processes – everything is a breeze when dealing with GIP Development. Moreover, we recognize that the GIP team is passionate about the BLAUPUNKT brand. Especially when it comes to selecting new licensees and taking care of those licensee's product quality. Without a doubt, we benefit from a positive cross-industry brand reputation.

What are the primary sales channels you are selling BLAUPUNKT equipped E-Bikes to?

We are delivering E-Bikes with BLAUPUNKT com-

ponents to all major mass-market channels. Such as DIY stores, Supermarkets, Discounters, and all major online retailers.

What was the impact of your decision to launch PROPHETE's E-Bikes with BLAUPUNKT licensed components?

We can say that BLAUPUNKT is the perfect brand to target mass-market clients.

For example, we recently delivered tens of thousands of e-bikes with BLAUPUNKT branded components to one of the leading German discounters. Within a few hours, they completely sold out online, and they sold out in stores in just a few days. As a result, our customer has already significantly increased the number of units for next year.

Moreover, we saw that we were instantly successful with the BLAUPUNKT brand. In 2019, which was the first full business year after we signed the contract back in 2018, we already sold around 70,000 E-Bikes with BLAUPUNKT branded components. This equals a market share of Around 5% of the entire German E-Bike market. In 2020 we can already see the market share is still increasing.

About Blaupunkt

BLAUPUNKT is a German brand for consumer electronics, car multimedia, and related consumer lifestyle products. Founded in Berlin in 1924 as the "Ideal" company, BLAUPUNKT gained notoriety through the internal test label for headphones - the blue dot. The quality feature became a trademark, and in 1938 also the company name.

Today, the brand is being developed by GIP Development SARL as part of a licensing program launched in 2009. More than 40 licensees around the world distribute BLAUPUNKT products on all continents in more than 90 countries in the categories: audio, video, TV, car multimedia, mobile telephones, E-Mobility, home appliances, security systems, cleaning robots, air conditioning, and many more.

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Our BLAUPUNKT licensing experts are ready to discuss with you how brand licensing can help you earn more money and improve your go to market process.

We speak English, German, French, Mandarin, Polish, and Spanish.

