

BRAND LICENSING GO-TO-MARKET MODELS

REPLACING A PRIVATE LABEL

Creating a private label is a long-established method of securing market share, but breaking through media clutter requires significant staff resources and time, and it is also expensive. Using an immediately identifiable brand that is well known for quality products will bypass the time and cost of creating brand awareness for an unknown “created” brand.

LAUNCHING EXISTING OEM PRODUCTS TO NEW DISTRIBUTION

Manufacturers and importers can profit from sales of their existing products under a unique brand through either differentiated channels or via a captive online site. In this case, the product category and quality are not the issues. Rather, the OEM/importer must give the retail or end user customer the confidence that the product comes from a known entity. Licensing a brand short-circuits market acceptance by presenting the goods under a tested name.

MARKET REACH EXPANSION:

Manufacturers often spend considerable sums to develop and launch a product in one market successfully, only to find that their own brand identity will not work in other global markets. Here, a highly respected, high-quality brand with instant global recognition can provide a cost-effective alternative to recreating a

brand that might be rejected as being “foreign.” Brands such as Blaupunkt are known around the world, and licensing them to open a new market is a quick ticket to success.

It also takes time to launch and establish a brand. Introduction timing is frequently compressed due to competitive factors, the need to enter the market before potential competitors with similar concepts, and the timetable specified by investors. Licensing a brand that speaks to a technology-aware audience removes the time barrier that could not otherwise be overcome. Manufacturers won't have to wait for a brand that is already established to take hold.

CREATING A STEP-UP OR “SHELTER” LINE:

Manufacturers with their own successful brands at mid-level ranges often consider the possibility of creating a higher line range for their products. Sometimes they also want to create a differentiated branding to meet the needs of a new retail channel or distributor. Here again, brand licensing sets a fast track to success by combining the quality product with a brand that separates the new market entry and also provides the comfort of a respected name.

LAUNCHING A TOTALLY NEW PRODUCT LINE OR CATEGORY

Today's market is full of unique and innovative products, and more are showing up daily. Even those with the best and brightest idea find that the barriers to getting a foothold in the market are many. In the midst of all of these challenges, which include product design, testing, and certification, it's all too easy to forget that the more innovative the product is, the greater the need to deliver it under a recognizable brand. Even when the need to develop a brand is recognized, the necessary skills and financial resources are often not available.