

# The Manifesto for Brands



Throughout constituencies in the UK, brands deliver for consumers, employees, society and the economy. **They can however deliver even more.**

## What are brands?

Companies produce products and services. Brands however are more abstract – and more influential – enduring in the minds of individuals. They are personal.

Brands are the sum of an individual's lifelong understanding and experience of a product or service. They inspire trust and inform our choice and preferences. While a brand is individual and people act independently, together it may lead to millions casting a similar vote daily on the high street. This is why brands are so powerful and valuable.

Some brands have been around for centuries (**Gordon's** gin was founded in 1769) while others are newer kids on the block (**Tangle Teezer** was founded in 2005).

## How brands deliver for the UK:



### Superior Growth

Brands create wealth for the UK, contributing to public services. That brands are valuable to companies is well known (the most valuable brand of UK origin is **Vodafone** at \$29,612 million<sup>1</sup>). Often the brand is a company's most important asset, representing well over 30% of its market value.

Since 2006, the S&P 500 index increased in value by 44.7% while the value of a strongly branded portfolio increased by 81.1%<sup>2</sup>, demonstrating the power of brand-led growth.

Company expenditure on branding contributes around £16 billion annually to the economy, comparable to all investment in scientific R&D<sup>3</sup>.



### Commercialising innovation

Brand-led innovations create new categories (**Febreze** launched the fabric refresher category) and grow existing categories (**Finish** has helped grow the dishwasher tablet market to over £200 million through innovation). Branded companies invest larger sums and invest more efficiently in innovation than industry as a whole, creating superior economic growth and productivity<sup>4</sup>. Branding helps manufacturing thrive.



### Choice for consumer

Every successful product or service will be designed at the outset from consumer insights. As companies strive to meet better the needs of different individuals (or the differing needs of the same individual), a diversity of choice is created. The trade marks, packaging and get-up of familiar brands are instantly recognisable, allowing quick, accurate buying decisions. Finally, brands must stand by their promise, providing reassurance and protection.



### Export Performance

Branded products make a significant contribution to the UK's export performance (trade mark intensive industries contribute over three quarters of EU export trade by value<sup>5</sup>). Branded Scotch whisky accounts for some 25% of all UK food and drink exports for example. As importantly, UK branded exports such as **Rolls Royce**, **BBC**, **Dyson** and **Burberry** strongly influence perceptions of the UK overseas, contributing to the UK's reputation.



### Quality jobs in constituencies

Building a winning reputation with individuals involves many skills. Researchers, scientists, technicians, quality controllers, packaging and logistics specialists and marketers all play their part. Such manufacturing-related jobs support local economies, working for companies such as **Ty Nant** (Llanon), **A G Barr** (Cumbernauld) and **McCain Foods** (Scarborough). Companies with trade marks, a building block for brands, directly provide over 20% of EU jobs and pay a 42% wage premium<sup>5</sup>.



### Responsible businesses

Building strong reputations requires more than consistent delivery of excellent products. How products are made and how companies behave matter too. Branded companies fund self-regulatory bodies such as the Advertising Standards Authority and invest significantly to reduce waste and carbon emissions, improve health and wellbeing, promote fair trade and support communities.

<sup>1</sup> [Brand Finance, Global 500, 2014](#)

<sup>2</sup> [Millward Brown, Brandz, Top 100 Most Valuable Global Brands, 2014](#)

<sup>3</sup> [Westminster Business School, Valuing brands in the UK economy, 2009](#)

<sup>4</sup> [PIMS, Brands innovation and growth, British Brands, 2004](#)

<sup>5</sup> [OHIM, IP rights intensive industries, 2013](#)

## The six-point plan to help brands deliver more:

*The Anti-Counterfeiting Group and British Brands Group propose a six-point plan for greater wealth creation, jobs and competitiveness in the UK.*

### 1 Place brands firmly within UK economic policy

Branding is a powerful economic force yet it barely features in Government economic policy. With wealth generation and international competitiveness a top priority, this must change. The contribution of branding to the UK economy needs to be measured so that it can be managed effectively to deliver optimum performance.

### 2 Provide the environment for brand growth

Brand ownership is internationally mobile and for brands to be domiciled in the UK requires a competitive fiscal environment, robust intellectual property rights effectively enforced and a marketplace where competition is vigorous but fair. Initiatives such as the Groceries Supply Code of Practice encourage fair dealing and warrant support.

### 3 Stop the trade in fakes

Counterfeiting is an international criminal activity that threatens the health and safety of individuals across the world, ruins businesses and destroys jobs. Fuelled by the internet, organised crime and massive criminal investment, fakers make and distribute everything from luxury goods to the day-to-day products used in our homes. Greater public understanding of the dangers and support to improve the strength of our enforcement resources are essential. Confiscating criminal profits and improving collaboration and information sharing between government, business and enforcers are key.

### 4 Encourage companies to invest in brands

Companies must be confident that a fair return can be earned from brand investments in R&D and innovation, quality and the building of reputation. Confidence depends on a stable, dependable intellectual property regime on which long term investment decisions can be based.

### 5 Allow people to make informed choices

While consumer protection regulations have been strengthened in recent years, enforcement is sometimes weak, allowing marketing practices that mislead shoppers to go unchallenged. When packaging mimics misleadingly that of a familiar brand, companies should be free to bring civil actions under consumer regulations to stop the practice.

### 6 Allow communication with consumers

Communication (eg advertising, websites, promotions and packaging) plays a crucial economic role, informing consumers and supporting innovation, competition and growth. Restricting communication can be seized on too readily as a solution to policy problems. Robust policy analysis combined with measurable objectives, hard evidence and regular reviews are critical when considering any restriction to ensure it is proportionate and justified.



## Want to find out more?

For further information on any of the issues raised in this Manifesto, please contact:

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