



BRANDS AS ASSETS - THE FUTURE AFTER THE CRISIS

BRANDS AS GROWTH & INVESTMENT ENGINE FOR SUSTAINABILITY

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by Gerhard Hrebicek, President European Brand Institute

“ In an increasingly digital economy, the future depends on intellectual property and especially on many strong and valuable brands”, stated Gerhard Hrebicek, President European Brand Institute on the occasion of World IP Day, which is celebrated every April 26, and advocates the creation of a World BRAND Day, as “intangible assets are recognized as highly valuable goods in economic activities. Brands are probably the most valuable and still the least understood intangible assets, creating economic value and sustainability”.



The importance of brands increases among consumers as well as among shareholders, investors, managers and employees of enterprises. Within the framework of responsible corporate management and a transparent pursuit of corporate development in the sense of good corporate governance, corporate strategies, brands as well as their influencing factors play a significant role. As an intangible asset, the value of brands will become one of the most important indicators of relevance to the balance sheet and a tool for financial investments. The ability to measure and grow the contribution of brands has emerged as a critical issue for investors, CEOs, CFOs, entrepreneurs and an opportunity for CBOs (Chief Brand Officers) and CMOs (Chief Marketing Officers). Precisely for this reason, there is a need to value brands reliably.

HOW BRANDS CREATE VALUE?

A brand is not just a logo or a trademark but an identity that distinguishes a business and its products in the marketplace and from the competition. It is the public face of a company or region and/or its products and services and a collection of perceptions, including its people, assets, products, services and conduct. A company's or region's brand makes it recognizable to the world and creates a lasting and therefore valuable impression on the customer's mind.

The “©EBI - 12 REASONS 4 SUSTAINABLE BRANDS COMPASS” illustrates the contribution of brands and brand management to improved competitiveness, greater access to global markets and additional value creation:



These four focus areas prove the relevance of brands and demonstrate the contribution to competitiveness and sustainable growth:

- **Brands as the key for sustainable development,** adding value to products and services, improving competitiveness of companies, organizations, cities and regions, contributing to increased exports and market access, linkages with innovation and creativity, supporting business resilience to external shocks.
- **Brands for Locations, Cities and Regions** including regional Heritage Brands to improve the linkages and integration of traditional and creative industries into other economic sectors such as the tourism industry (destination branding), usage of Protected Designation of Origin and Protected Geographical Indication; regional Brands as contribution for the Regional Development.
- **Brands for companies, SMEs and for internationalization** improving competitiveness for companies and SMEs, formation of clusters, the role of business and innovation parks, Innovation and Entrepreneurship, leading to more attractiveness for talents, loyal customers, increased and more sustainable sales, better market positions, increased exports, new segments and markets;
- **Brand investments, funding and financing** Value, growth and prosperity can be created through investment in brands and brand management as prerequisite for more profitability and scalability of businesses. Brands enable superior returns, reduce the downside risk, are less volatile and show better fundamental performance. Consider impact investing to fund the achieving of SDGs and create sustainable growth.



UNIDO AND EBI JOINT PROGRAMME B4C SUCCESS STORY.

European Brand Institute and UNIDO have jointly developed an innovative service module titled "Branding for competitiveness and sustainable growth" (B4C) offering direct support to UNIDO Member States for enhanced sustainability, productivity and international competitiveness based on a higher value added, providing a holistic branding approach tailored to the specific needs of local SMEs. A series of pilot success story projects from Armenia, Montenegro and Tajikistan, generated by the B4C module demonstrate impressively the impact of branding. "B4C" has helped to establish umbrella brands that have enhanced productivity, competitiveness and market-access of the local SMEs thereby making a significant contribution to the socio-economic development, jobs more than doubled, export generation doubled and turnover even tripled.

"Intangible assets, such as brands, are increasingly recognized as a key driving force behind sustainable economic growth and competitiveness. At the same time, branding does not only have an impact at the level of individual firms but also for entire industries, countries and regions, supporting intellectual value addition, enhancing productivity and international competitiveness, which makes it an integral part of economic development initiatives across developed and developing economies, as well as economies in transition" stated Bernardo Calzadilla-Sarmiento, Director at UNIDO.

THE FUTURE AFTER THE CRISIS - BRANDS AS A REGIONAL GROWTH ENGINE.

The COVID-19 pandemic has shown us very clearly how globally linked regional economies are. Just as the pandemic was able to spread rapidly worldwide, the economic crisis spread worldwide. What influence does this now have on the world of brands and their value development?

Regional brands will become more important. Regional brand orientation will create local value creation (community and district level), regional (city, region, state) and support the brand-business resilience to external shocks and the crisis. They supports sustainable development and furthermore leave a smaller CO2 footprint. If the value creation of brands and companies happens more on a regional level, the UN sustainability goals (SDGs) are supported as well as the people and their prosperity in the region.

"Let us take this crisis as an opportunity to revive regional and the local brands, focus on innovation and sustainable growth leading to more resilience", proclaims Gerhard Hrebicek.

ABOUT EUROPEAN BRAND INSTITUTE

The European Brand Institute (EBI), partner of UNIDO, is Europe's leading institute for the evaluation of intangible assets. The key activities emphasize on brand value and patent value. Through the research and participation in the international standardization of brand and patent valuation and especially the ISO standards on brand evaluation, as well as advisory and consulting services, such as tailor-made structures in the areas of corporate finance, balance sheet activation, implementation of brand measurement, reporting and for investments in brands, EBI contributes to a sustainable development in Europe and globally. EBI and its brand valuation company are the only ones worldwide certified according to ISO 20671, 10668:2010 and ÖNORM A 6800 and offering the "ISO Certified Brand" program for companies, regions and managers. www.europeanbrandinstitute.com