



## Licensing: Building your Brand Where Consumers Care

by Stephen R. Reilly



A much-cited survey by Booz Allen & Hamilton recently found that 85% of brand loyalty is created at the point of sale and after. Other studies have confirmed the same conclusion: very little matters to consumers before they find themselves confronted with a choice between products in-store.

In spite of this and similar surveys, brand managers continue making decisions in the same old ways, devoting most of their resources and energy to persuading consumers long before they reach the point of decision-making. If brand managers were going to focus more time and resources on persuading consumers where they say they are persuadable, what should they be doing more of?

### *Brand-Building at the Point of Sale*

First, they should pay more attention to how their brands and products are being sold in-store, and spend more money on people who will stock them properly and the people who can tell their customers (or their potential customers) why to buy them.

They should invest more in point of sale materials - an afterthought for too many consumer product brands.

Brand managers also should focus more energy on best-of-class packaging. Although packaging receives more attention than ever, too many brands still rely on packaging that's just "good enough," and save money for their advertising. That formula should be reversed.

And they should be supporting all appropriate line extensions, which build a brand at retail, grant it new facings and give consumers new ways to interact with it. Finally, they should do more licensing. Why licensing?

### *Licensing to Build your Brand*

Nothing builds a brand's presence at retail like new products, and there are a lot of great new products that the brand's owner cannot make or sell itself. Licensing lets a brand grow into new aisles and new channels of distribution - and in the process teaches consumers things about a brand that the brand can't make them believe by itself.

When the Olay brand licensed a line of vitamins, it accomplished huge brand benefits. First, it gained multiple new facings at retail, which remind consumers of a brand that faces stiff competition in its own aisle. But even more importantly, a consumer who sees Olay vitamins understands that the Olay brand is about overall health and building beauty from within. An actual product (if the equity fit is appropriate, if the packaging is great and if the licensee has made a good product) earns its own credibility, and delivers a message that the brand can't buy for itself.





When IMC client Southern Comfort licensed what is now the nation's best-selling line of premium eggnog, the brand knew it would be gaining additional shelf space in supermarkets - a location where its own product cannot legally be sold. But it also knew that the facings it gained for eggnog not only remind consumers about the brand but also communicate a fairly complicated message - like its eggnog, Southern Comfort mixes well, enhances hospitality during the holiday season, and tastes great even to people who may not ordinarily drink spirits. (Like all great marketing tools, the eggnog also increases core product sales, both because it lifts brand awareness and because Southern Comfort goes so well with it.) By delivering that message in the form of a beautifully packaged product on a supermarket shelf where consumers can compare it to others, the brand allowed consumers to experience a marketing message as a "discovery" rather than a lesson forced upon them.

Finally, when Stanley used licensing to extend its brand from hand tools to new categories like work gloves, ladders and garden tools, it earned itself a bigger presence at retail, more clout with giant accounts like Wal-Mart and Home Depot and greater relevance as a trusted brand for do-it-yourselfers everywhere. But even more to the point, the brand's growth across the hardware and home improvement retail channel gives consumers countless new opportunities to recognize Stanley as a trusted partner for home improvement and repair.

It's always easier to believe something if you think it is your own idea. Consumers are no different from the rest of us. If a brand uses licensing to place great new products in new aisles and store shelves, consumers will be delighted to let the brand's meaning grow accordingly. Consumers use licensed products to strengthen their relationship with a brand, and they do it at the point of purchase - where they really care.

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### **About the Author**

Stephen Reily is Chairman and CEO of IMC Licensing the nation's leading agency specializing in consumer product brands. Firmly grounded in America's heartland, IMC turns brands into great new consumer products that delight customers and expand the long-term value of our clients' iconic trademarks. IMC clients include Anheuser-Busch, Cub Cadet, Kraft Foods, Remington Arms, Sierra Club, TABASCO, and Wm. Wrigley Co.

