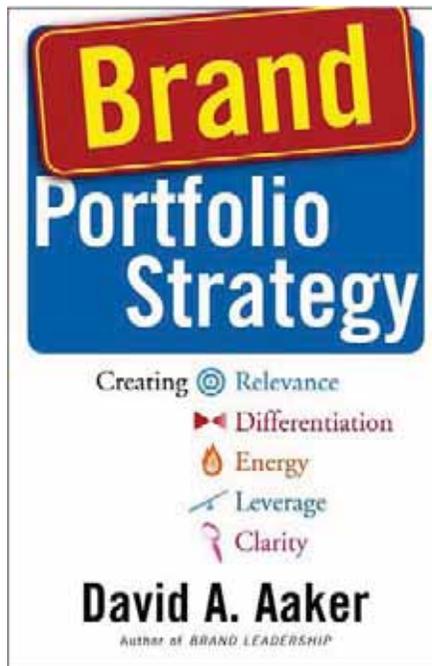


Brand Challenges

Clarity, Leverage, Energy, Differentiation & Relevance

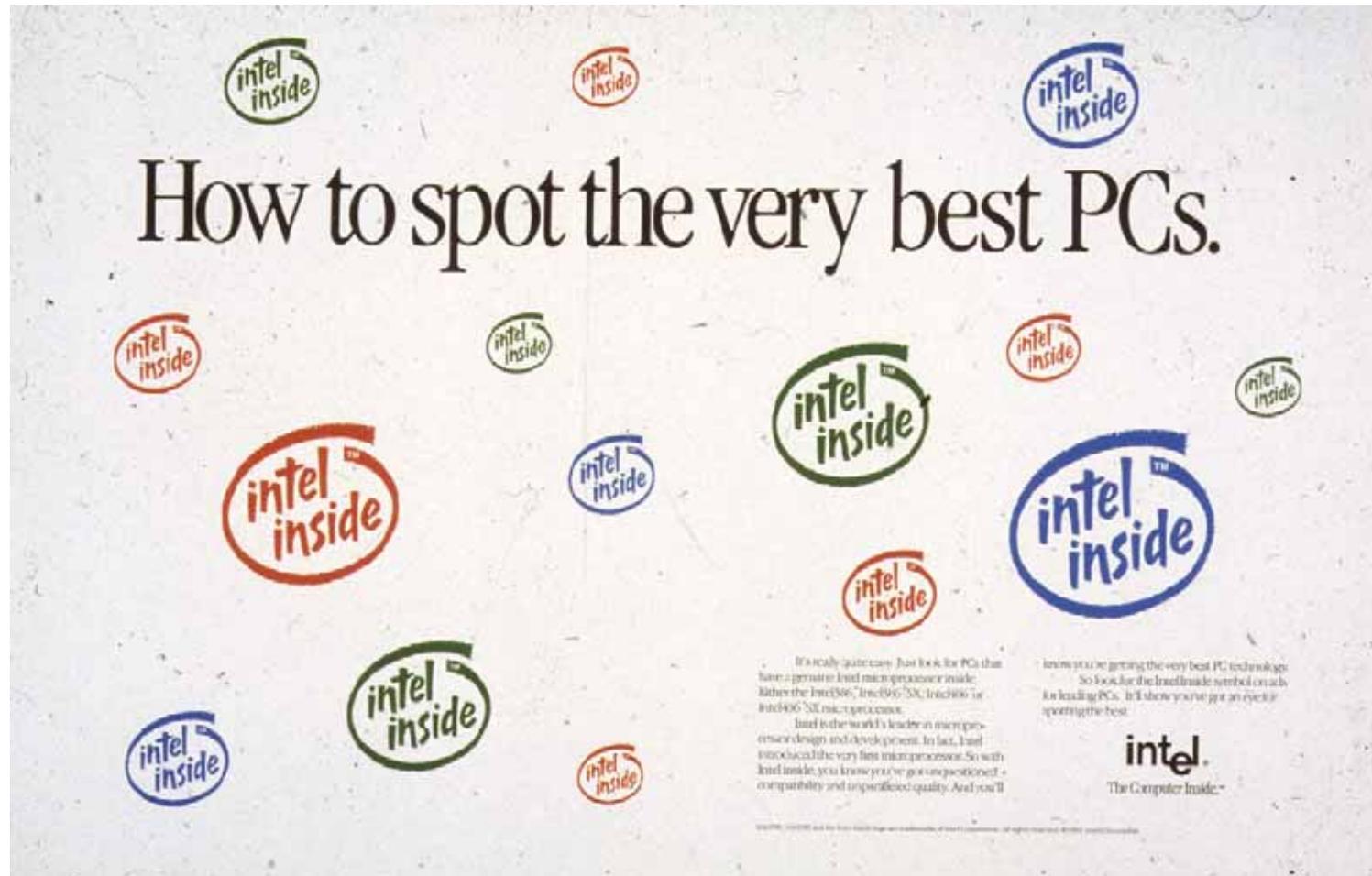
DAVID A. AAKER PROPHET

CMO Conference
Monterey, October 2004



Brand Building Pays Off!!

Intel



How to spot the very best PCs.

It's actually quite easy. Just look for PCs that have a genuine Intel microprocessor inside. Either the Intel 386, Intel 486, Pentium or Pentium Pro microprocessors.

Intel is the world's leader in microprocessor design and development. In fact, Intel introduced the very first microprocessor. So with Intel inside, you know you've got an exceptional, compatible and top-notch quality. And you'll

know you're getting the very best PC technology. So look for the Intel Inside symbol on ads for leading PCs. It'll show you've got an eye for spotting the best.

intel
The Computer Inside.™

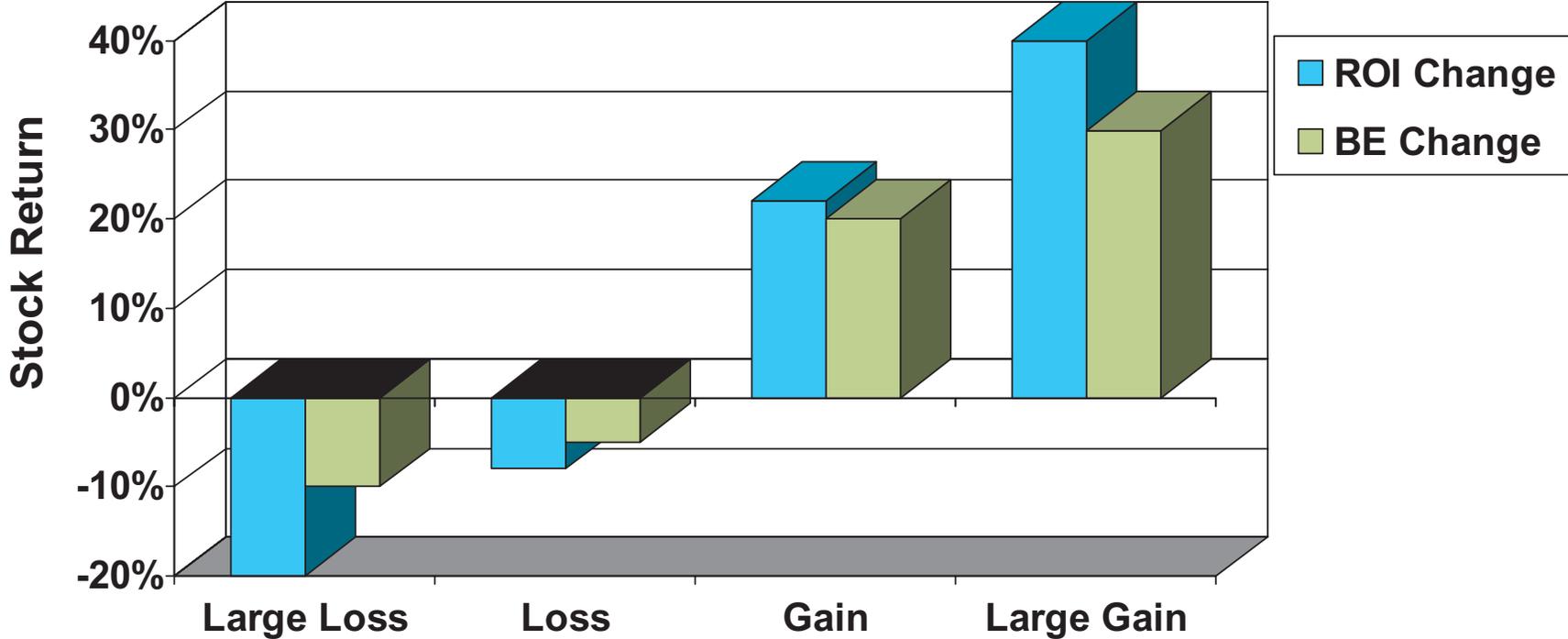
© 1998 Intel Corporation. All rights reserved. Intel, the Intel logo, and the Intel Inside logo are trademarks of Intel Corporation. All other trademarks are the property of their respective owners.

IBM Brand

- ▶ \$800 million in communications
- ▶ Pre Lou Gerstner—10% of budget on brand
- ▶ Post Lou Gerstner—50% of budget on brand
 - A single agency worldwide—O&M



Stock Market Reaction to BE & ROI



Brand Portfolio Challenges

- ▶ Clarity & Focus
- ▶ Leverage
- ▶ Energy
- ▶ Differentiation
- ▶ Relevance

Clarity of Mission

1995

US-based small-package,
ground delivery company



2004

Global provider of distribution,
logistics, and financial services



UPS SonicAir®

UPS Global Advisor

Too Many Brands: Focus Missing

Schlumberger

Anadrill

Dowell

GeoQuest



Schlumberger Well Completion

Schlumberger Wire line Services

Schlumberger Oilfield Software

Brand Portfolio Challenges

- ▶ Clarity & Focus
- ▶ Leverage
- ▶ Energy
- ▶ Differentiation
- ▶ Relevance

Leverage the Brand Portfolio

1994

Beauty Bar

- USD \$200 Million



2004

Complete Feminine Personal Care brand

- Over USD \$2 Billion



Nutrium Body Wash



Body Refreshers



Deodorant



Shampoo/Conditioner

Extension Risks

- ▶ Visible lack of success
- ▶ Damage associations
 - Inconsistent with competence
 - Inconsistent with quality/prestige

Brand Portfolio Challenges

- ▶ Clarity & Focus
- ▶ Leverage
- ▶ Energy
- ▶ Differentiation
- ▶ Relevance

Branded Energizer

Subbrand or brand that energizes and enhances a parent brand

Branded Energizers based on:

- Products
- Promotions
- Endorsers

Branded Energizers

IBM ThinkPad



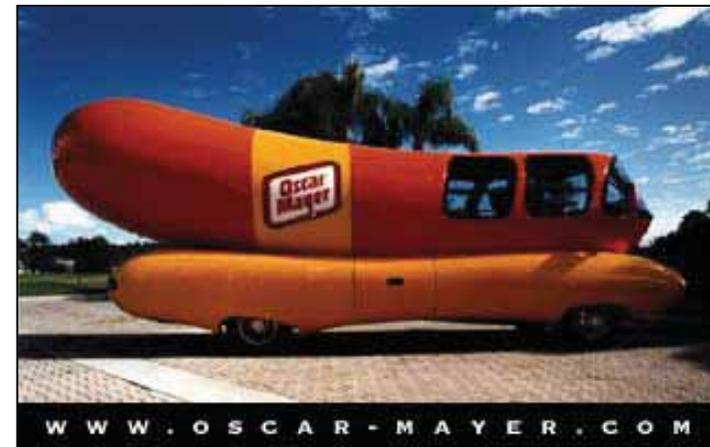
TrackPoint



Branded Energizers

Visibility: The Oscar Mayer Wienermobile (1936)

Program: Oscar Mayer Talent Search (Best Practices/Kraft/Brand Bldg)



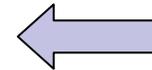
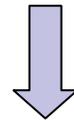
iPod

The best just got better.

Mac + PC



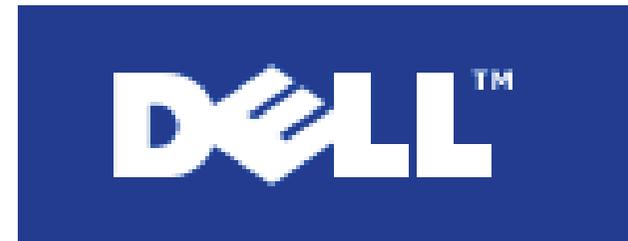
iMac G5



iTunes
The best
digital
jukebox.



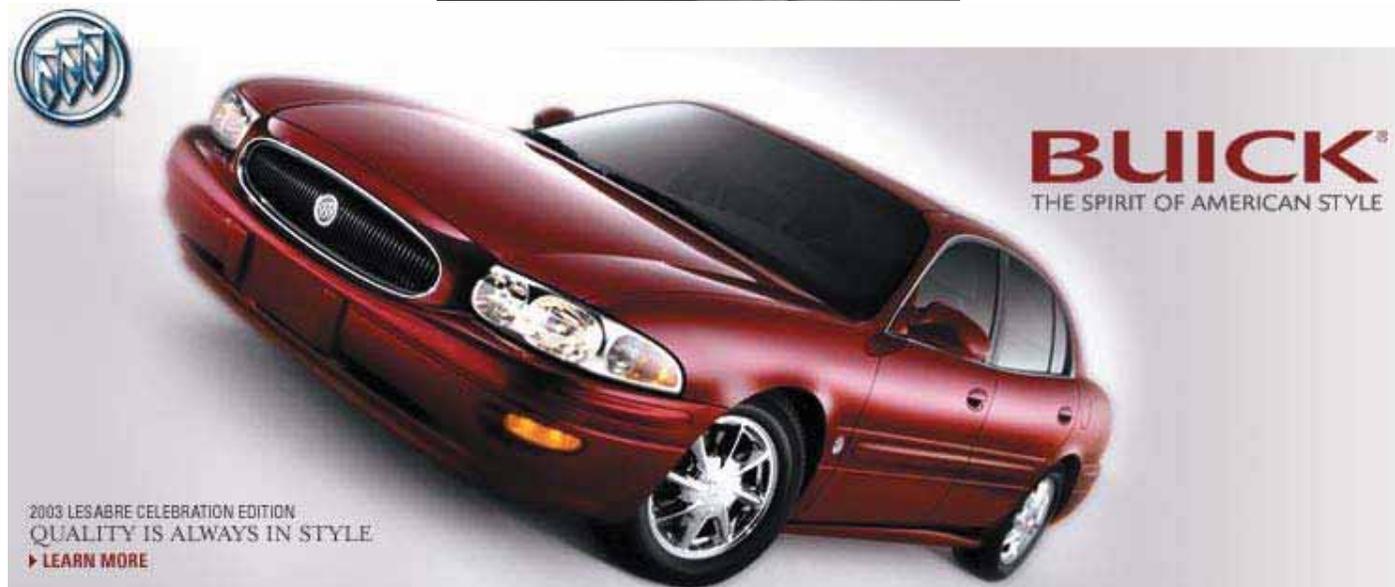
ORACLE®



Branded Energizers



Tiger Woods



Brand Portfolio Challenges

- ▶ Clarity & Focus
- ▶ Leverage
- ▶ Energy
- ▶ Differentiation
- ▶ Relevance

“Differentiation is the engine of the brand train...if the engine stops, so will the train.”

- *Stuart Agris,
BAV Guru*

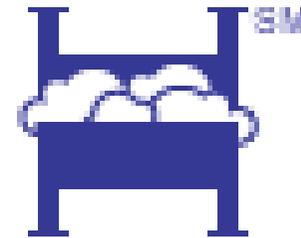
Branded Differentiator

An actively managed branded feature, service, program or ingredient that provides meaningful differentiation to the parent brand

Branded Differentiator



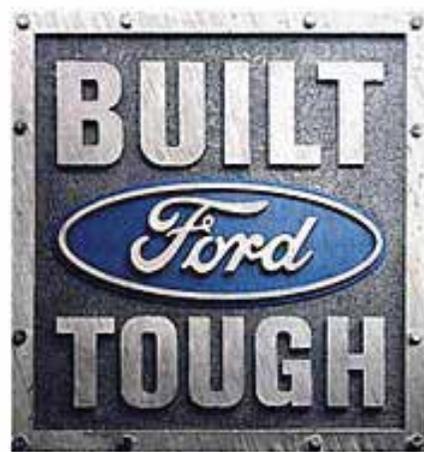
WESTIN
HOTELS & RESORTS



HEAVENLY BED



Branded Differentiator



Explorer

Eddie Bauer

Edition

Brand Portfolio Challenges

- ▶ Clarity & Focus
- ▶ Leverage
- ▶ Energy
- ▶ Differentiation
- ▶ Relevance



Minivan



SUV



Hybrid

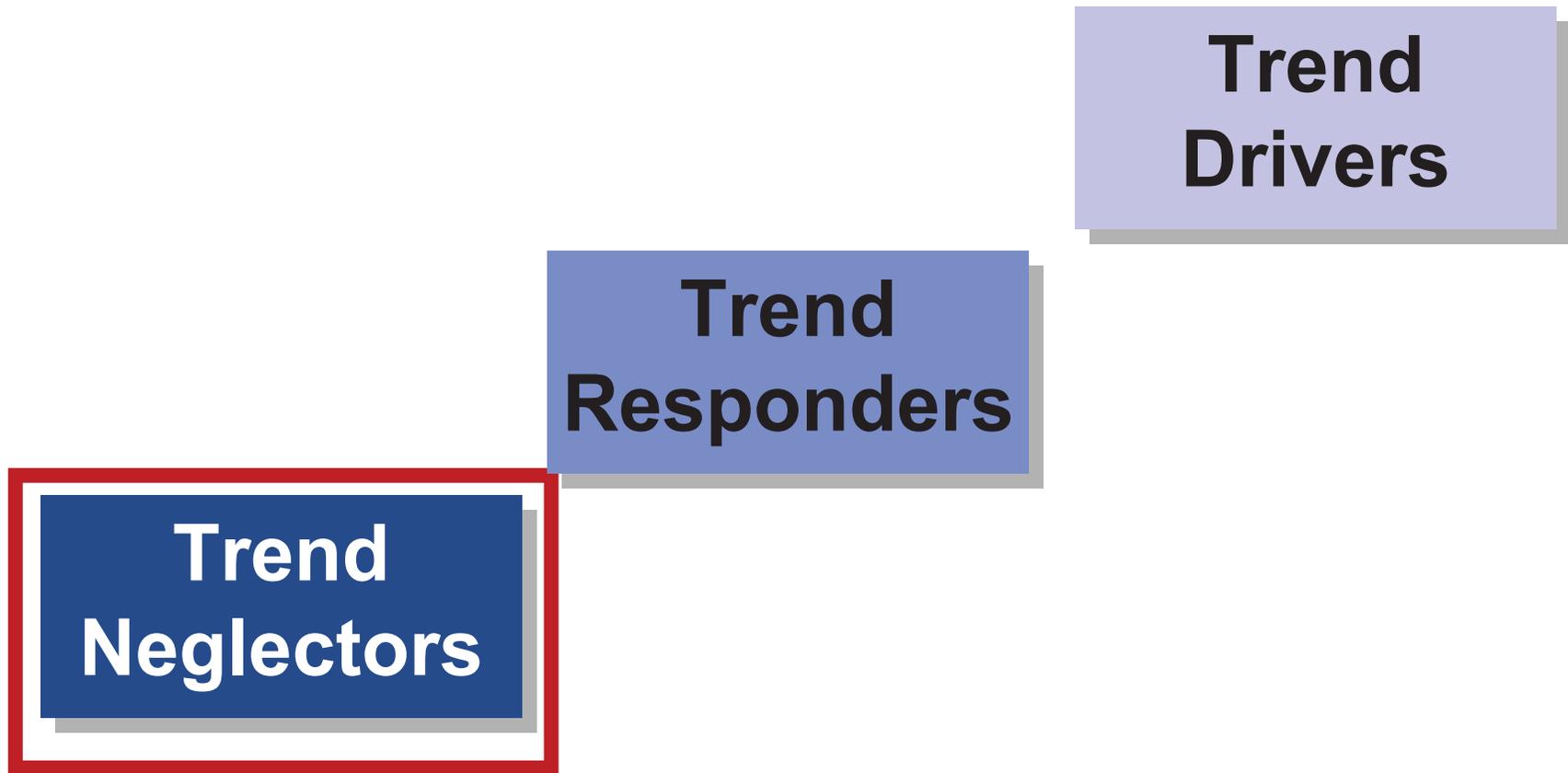
SONY

Cyber-shot®
Digital Camera
DSC-F828



Carl Zeiss®
Vario-Sonnar® T* Lens

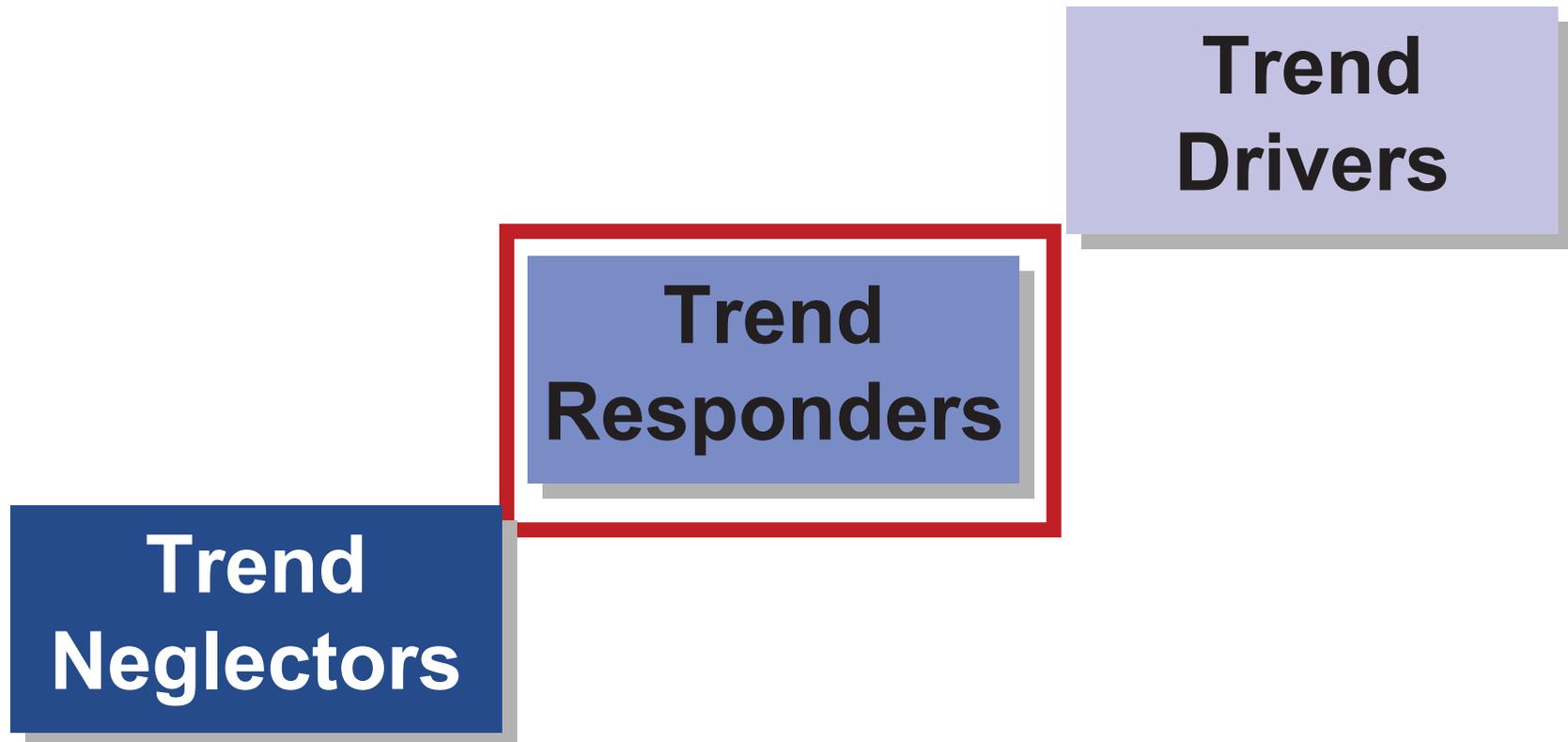
Maintaining Relevance



Trend Neglectors

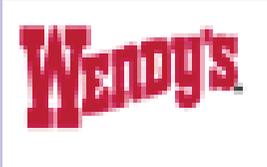
- ▶ Just not good at it
- ▶ Believe trends are fads
- ▶ “Stick-to-your-knitting” firms

Maintaining Relevance



Healthy Fast Food Trend

Traditional
Fast Food



Healthy
Fast Food

Adapting with Ingredient Brand



Subbranded Offering



Garden Sensations™ Salads



New!

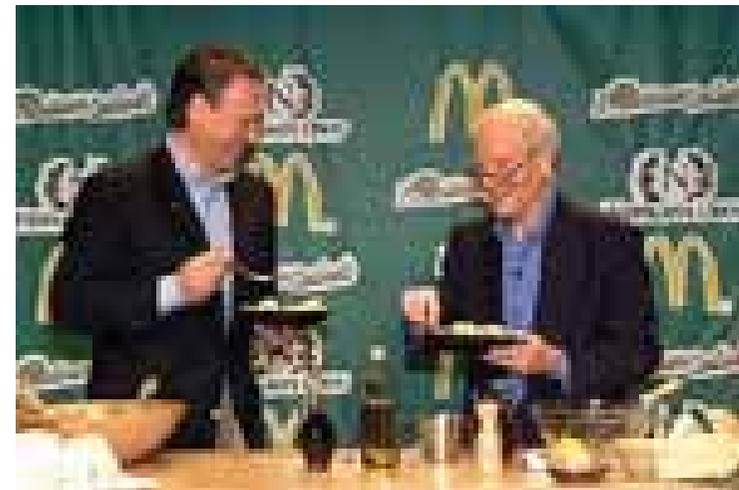
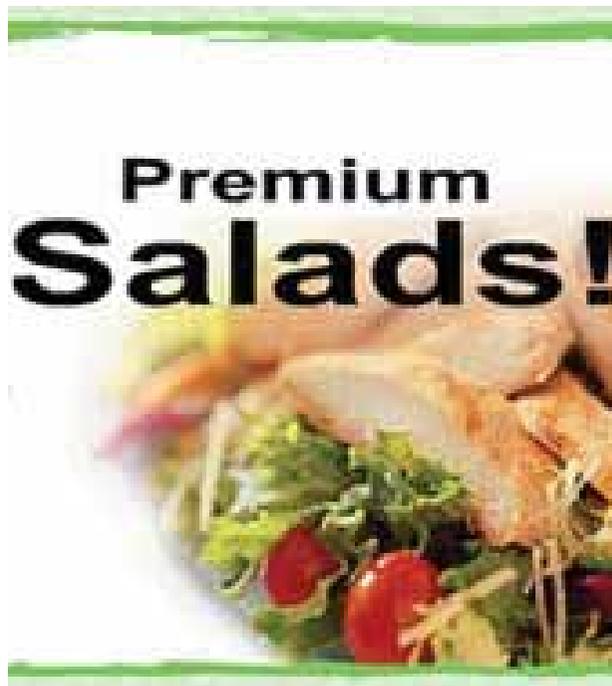
Spinach Chicken Salad

If this doesn't get you to eat more spinach nothing will.

[Click here to learn more](#) ▶

The advertisement features a vibrant image of a spinach chicken salad in a black bowl. The salad is topped with diced chicken, cherry tomatoes, cucumbers, and croutons. The background is a warm orange gradient. A green leaf graphic contains the word "New!". The product name "Spinach Chicken Salad" is prominently displayed in a large, dark font. Below it, a persuasive tagline is written in a smaller font. At the bottom right, there is a call-to-action link with a play button icon.

Co-branded Offering



**Newman's Own
Salad Dressing**

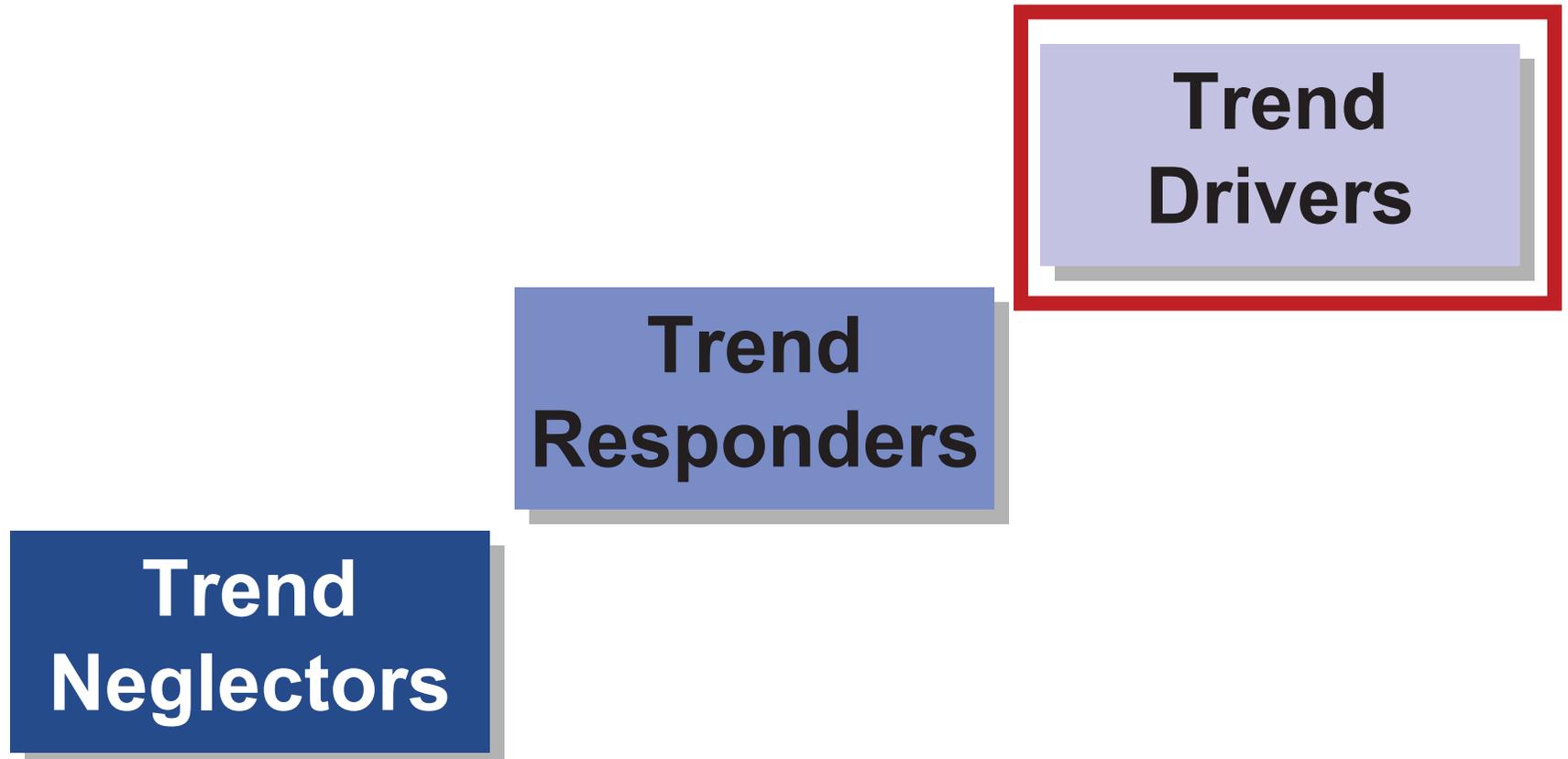
Separate Brand



We're Always Cooking.™



Maintaining Relevance



Trend Driver

1996



2002

@business on demand

KIRIN



Defined and Dominated
Lager Beer Category

Asahi



Created the
Dry Beer Category

Trend Driver

1986
Energy Bar



Category Fragments

Good tasting



Nutritionally balanced

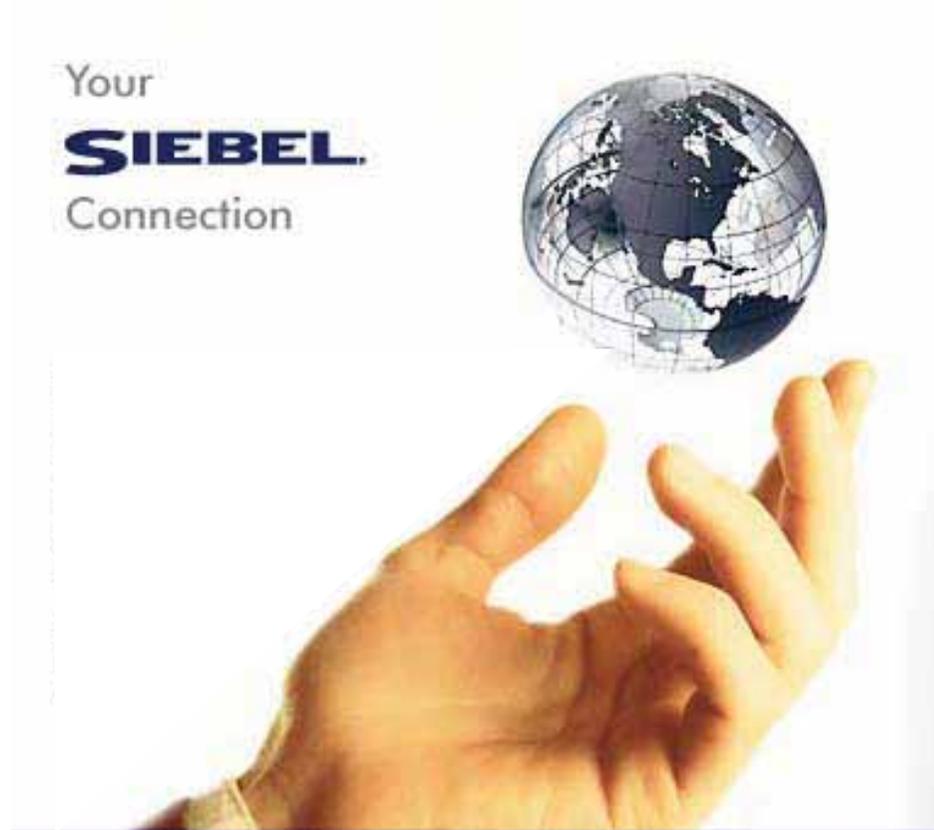
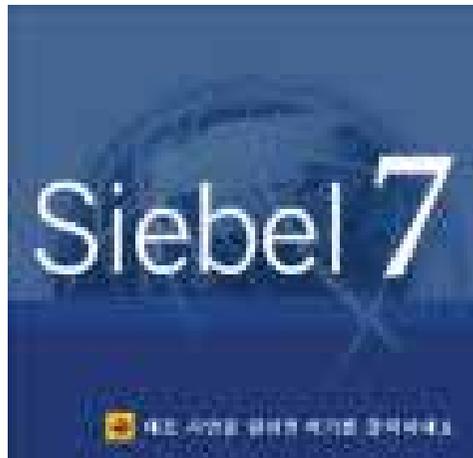


Targeting women



Trend Driver

SIEBEL.



Brand Portfolio Challenges

- ▶ Clarity & Focus
- ▶ Leverage
- ▶ Energy
- ▶ Differentiation
- ▶ Relevance

Brand Challenges

Clarity, Leverage, Energy, Differentiation & Relevance

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