Brand Management Strategies: 10 Key Points

By Mary J. Hildebrand and Jacqueline Klosek

This article is the second part of our series on the management of intellectual property assets (“IP Assets”). The first part of this series focused on the management of IP Assets generally. In this part, we address the development, maintenance and growth of brands in connection with distinct products and services—in essence management of a trademark portfolio. Specifically, through this article, we present ten key points to be considered when developing and implementing a brand management strategy. Of course, strategic branding programs are highly specific to industries. As such, the following key points should be adapted as necessary to suit one’s particular product and service line.

1. Establish and Maintain the Brand

As a threshold issue, it will be extremely important to establish and maintain the brand. When doing so, the adoption of a holistic approach, or an “overall brand strategy” is recommended. Such overall brand strategy should be implemented with full recognition that the brand may traverse numerous different product lines and geographic regions. Adopting an overall brand strategy also requires recognition that brands are significant to both the traditional retail and the online market.

Accomplishing an overall brand strategy requires close coordination between the licensor and licensees in different markets. There must be a consistent program for protecting brands and monitoring the usage of brands. Focus should also be placed upon prospective uses of brands. This may include identifying brands that might be used in the future and identifying new products and services with which existing brands might be used.

2. Ensure Consistency Between the Brand Licensing Strategy and Overall Business Goals

Effective brand management strategies also necessitate emphasis on ensuring consistency between the brand licensing strategy and the enterprise’s overall business goals. Efforts should be undertaken to ensure that the brand reflects positively on the company, does not detract from other product lines and remains profitable with other parts of company.

3. Select Profitable and Innovative License Partners

The importance of consistency should also be reflected in the selection of license partners. Focus should surely be placed upon license partners that enjoy healthy businesses and that offer innovative products. At the same time, however, emphasis should also be placed upon licensee partners with similar cultures and business goals since doing so may help to reduce the amount of time that is
expended on reaching the basis business terms. Companies should develop a profile of the ideal license partner but recognize that while many licensors and licensees may enjoy long-term relationships, few of such relationships will be permanent.

4. Focus On Maximizing Leverage of the Brand

Successful brand management will involve focus on the maximizing the leverage of the brand. Of course, this may mean different things in different context. However, in all circumstances, a considered judgment regarding brand placement will be crucial.

5. License Agreements: Exclusive or Non-Exclusive?

The exclusivity of the license agreement will be a key factor in brand management. Whether the license agreement will be exclusive or non–exclusive will have important implications for all of the business. When considering the exclusivity of a license grant, it must be recalled that the license can only be granted once as an exclusive license. Accordingly, particular scrutiny must be directed towards the strategies and business goals of potential exclusive licensees.

In addition to understanding the current interests and strategies of the prospective exclusive licensee, it is advisable to construct the license in such a way so as to maintain the licensee’s commitment licensee to the brand. Clearly, it will be in the interest of the licensor to ensure that the licensee’s interest in the brand is and will stay as high as possible. This can be done in a number of ways including, for example, by requiring additional payments or some other form of compensation during the license term in order to maintain the exclusivity of the arrangement.

While exclusive licensing arrangements will be extremely important, it must be recalled that non-exclusive licenses can also play a role in the business. Accordingly, proper attention and resources should also be devoted to constructing such non-exclusive arrangements and ensuring that they are profitable.

6. License agreements Must Include Effective Means For Enforcing Key Provisions

All license agreements should include effective means of enforcement. Most license agreements will address extremely important issues including quality control standards and reporting standards. However, such standards and requirements will not be of much use without effective enforcement mechanisms to back them up. The precise enforcement mechanisms that should be used will depend on the particulars of the licensing arrangement. As an example, however, in an exclusive licensing arrangement, the termination of exclusivity may be an effective remedy for the breach of certain contractual requirements.

7. Be Pro-Active on Products & Services

Licensors should be not adopt a “hands off” approach when dealing with the licensee’s products and services. Rather, efforts should be undertaken to ensure that the licensee’s products are desirable and up-to-date. Clearly, it will be in the licensor’s interest to ensure that its brand will be affixed to the most popular products and services. Of course, consumer interest can change over time so it will be essential to periodically monitor changes in demand for the licensee’s product and services.

8. Allocate Ownership & Control of IP Assets Equitably

When undertaking a brand licensing relationship, it will also be important to allocate equitably ownership and control of the IP assets. While this will be an important issue in all relationships, it will be particularly important when a long-term relationship is contemplated. In all instances, the licensor will have the stronger interest in the brand and will likely desire to retain the maximum amount of control. However, particular business issues may impact the ultimate allocation. Such allocation should include consideration of each party’s business plans and innovations.
that impact power of the brand. The allocation should also be conducted with recognition of the fact that the association of the name with particular products or services will be key.

9. Successful Brand Licensing Strategy Requires Dedicated Staff

The enterprise’s staff will play an extremely important role in the company’s overall brand licensing initiatives. Selection of licensing staff should be undertaken with the recognition that such staff members will be required to organize, control and coordinate all the activities of the licensees. In addition to focusing on the key licensing staff, other relevant staff members should be trained and encouraged to take an active role in the efforts overall brand licensing efforts.

10. Actively Integrate the Brand Licensing Strategy into Product Development and Launch Activities

Companies should be active – and not static – when undertaking efforts to integrate the brand strategy into product development and launch activities. A clear and proactive strategy is likely to generate the most reward.

Conclusion

This article, which has addressed key issues in brand management strategies, is the second part in our three part series of IP Asset management. While all IP Assets require the creation and implementation of effective management strategies, this article has demonstrated that brands require special consideration. The next and final part of this series, will examine IP rights designed to protect various processes. In doing so, we will focus on patents and trade secrets.

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