

NEWS ALERT

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ON THE WORLD SPORTING GOODS INDUSTRY!



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NEW—Job Market in the News Alert and on WFSGI website!!!

We are glad to announce you that we have created a new section in the News Alert as well as on WFSGI website called « Job Market ». This section will from now on include all vacant job positions advertised by WFSGI Members.

Don't miss a good opportunity and check the offers right now at the end of this edition or on www.wfsgi.org / Job Market!

If you are a WFSGI member, you can post your job offers FREE OF CHARGE. If you wish to advertise your vacant job positions or if you wish more info, please send an e-mail to srouillon@wfsgi.org.

Speedo extends partnership with Michael Phelps through 2013

SPEEDO announced the extension of its long-time partnership with swimming superstar Michael Phelps through to 2013. Following his historic 8 Olympic Gold Medal haul in Beijing, Phelps' career-spanning commitment to the Speedo brand and a shared passion to help grow the sport of swimming globally now continues through the 2012 London Olympic Games and beyond. A Team Speedo star since 2001, Phelps' relationship with Speedo goes beyond a traditional endorsement contract. Phelps used the \$1

million bonus he earned from Speedo for his record medal haul in Beijing to start the Michael Phelps Foundation, a charitable organisation committed to growing the sport of swimming. As part of Phelps' new Speedo deal, the brand will donate \$10,000 to the Michael Phelps Foundation for every World Record Phelps sets; Phelps has committed to match each donation as well. Phelps will also continue to serve as part of an athlete advisory group to the Speedo Aqualab, the research and development centre that con-

tinually pioneers new technologies and innovations in swimwear and accessories. In 2008 it introduced the Speedo LZR Racer, which Phelps wore for every gold-medal-winning swim in Beijing and at the 2009 13th FINA World Championships in Rome. In the coming months, Speedo will announce an updated and comprehensive range of elite swimwear that conforms to newly released FINA rules.

Source : Speedo

Sustaining Members



SGMA members offered exclusive opportunity for European business development

The SGMA has launched a new program, the SGMA European Help Desk, designed to assist member companies in improving their competitiveness in the European marketplace. The SGMA European Help Desk will provide SGMA members direct access to experts who can provide and facilitate in a wide range of European business ventures such as effectively establishing new European markets or monitoring and - if necessary - restructuring existing markets, all with the benefit of preferred SGMA membership service rates. "The European Help Desk will provide an efficient, economical tool to help our members

address questions on licensing, cross cultural marketing, distribution, subsidiary relationships and European Union regulations" said SGMA President/CEO Tom Cove.

The program was developed in Munich, Germany by two prominent sports industry service providers -- Dr. Jochen M. Schaefer (sports industry legal counsel and practicing attorney) and Tanya Carter (co-owner of The Missing Link Brand Engineers). The European Help Desk provides an exclusive three-step solution for SGMA members, including a micro website; special member rates; and legal, sales and marketing advice. On request, the

teams are also able to provide operative solutions through their network in Europe. "In short, SGMA members will benefit from the exclusive advice of well-established sources that would normally be next to impossible to find independently and with a better price-quality ratio than 'off-the-shelf' service providers due to our special agreement," commented Cove. To learn more about SGMA's European Help Desk visit www.sgma.com/europeanhelpdesk.

Source : SGMA

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AAFA Cautions on Protectionism

American Apparel & Footwear Association (AAFA) President and CEO Kevin M. Burke released the following statement after the decision by the Obama Administration to impose tariffs on imported tires from China. "With the U.S. economy on the verge of recovery, we strongly urge our leadership to follow through on G-8 commitments to not erect protectionist barriers that would open the door for larger trade frictions and, more importantly, put our economic recovery in peril. "Although we expected the Obama Administration to pursue tough enforcement of current trade laws, placing tariffs on imported tires from China will likely lead to inquiries about other imported goods, including textile and apparel products. "While it should be politically difficult for any group to even ask for new import taxes on clothing, or any other life necessity,

bought by hardworking families during these trying economic times, we are also confident that such a petition would not factually substantiate the need for tariffs on clothing. "However, we are concerned that the affirmative decision on tires raises political expectations that additional protectionist measures on these and other products could be easily granted which could result in an international trade war and jeopardize our economic recovery. As we are already seeing with this case, and with earlier episodes involving Mexican trucking, protectionist measures by the United States often trigger retaliation from trading partners. In fact, China has already indicated they will retaliate against the United States for this decision. "The United States should lead by example. By limiting how we apply the safeguard measures that were put into place upon China's

accession to the World Trade Organization, we will signal to our international trading partners that the United States remains open for business."

Background

Section 421 of the Trade Act of 1974 provides authority for the President to provide relief to domestic industry (or workers in a domestic industry) harmed by market disruption or alleged disruption from a surge in imported goods from China. Such relief traditionally takes the form of import duties and/or quotas on specific goods to take effect within fifteen days of presidential order. China agreed to the safeguard measure in its World Trade Organization (WTO) bilateral accession agreement with the United States. The safeguard measure expires at the end of 2013.

Source : AAFA

ASICS celebrates 60 years of innovation in Berlin

The official date is September 1st, but on August 21st ASICS chose the occasion of the World Athletics Championships to celebrate its 60th birthday with business partners, media representatives and members of the ASICS family – including several well-known athletes. For ASICS, as a Japanese company, turning 60 is more than just another birthday. In Japan, this milestone is a major event, a symbolic rite of passage with a special name: "Kanreki", which signifies a year of rebirth and the beginning of a new life cycle. For a company with a reputation for reinventing itself, the birthday celebrations, held at Berlin's Ellington Hotel, were suitably

creative: world-class origami artist Siphon Mabona, who previously collaborated with ASICS on its award-winning corporate film, transformed the ASICS Hospitality Centre into an 'Innovation Lounge' entirely styled from paper. 200 visitors enjoyed a completely white experience including a shoe museum, origami exposition and foot scan device. ASICS President Motoi Oyama invited 4-time Olympic gold medalist Lasse Viren onto the stage to receive a typical set of red Kanreki gifts (a vest and hat). Viren turned 60 in July and was a special guest at the celebration, which also featured ASICS athletes Tia Hellebaut, Dieter Baumann, Heike Drechsler, Walde-

mar Cierpinski, Stefano Baldini and Lolo Jones. In another highlight, renowned Shodo-artist Suiko Shimon used a huge brush to write the ASICS philosophy "sound mind, sound body" in red Kanji letters on the stage background. In a touching moment, Mr Oyama received an origami tiger from a 4-year old child to symbolize the step into the future. For, after 60 years of innovation, this is exactly what the international ASICS family was doing in Berlin: looking forward with confidence to a successful future.

Source : Asics

Sustaining Members



adidas AG in Dow Jones Sustainability Indexes for 10th time

For the 10th consecutive time, adidas AG has been selected to join the Dow Jones Sustainability Indexes (DJSI), the world's first global sustainability index family tracking the performance of the leading sustainability-driven companies worldwide. In the category "Clothing, Accessories & Footwear", adidas AG was

rated as industry leader in sustainability issues and corporate responsibility for the seventh time in a row.

In addition, the adidas Group was named "Global Supersector Leader" 2009/2010 by being identified as the top company for the sector "Personal & Household Goods" for the second consecutive time.

The annual review of the DJSI family

is based on a thorough analysis of corporate economic, environmental and social performance, assessing issues such as corporate governance, risk management, branding, climate change mitigation, supply chain standards and labour practices.

Source : adidas

US decision on China tire exports could impact sporting goods exports to China

In response to President Obama's decision to impose 25-35% safeguard duties on Chinese-made tires, China's Ministry of Commerce announced that it would be initiating antidumping investigations against U.S. exports. China identified chickens and auto parts as the first two targets of its antidumping investigations, but will consider other products going forward. According to Chinese authorities, the U.S. decision represents "a grave act of protectionism" that "sends the wrong signal to the world" at a time of economic crisis. Another element of the fall-out from the Obama Administration's decision is likely to be increased filings by other U.S. industries under Section 421 and other U.S. trade statutes in the coming months. "U.S. trade relations with

China are likely to be able to withstand these developments at the bilateral level," said Bill Sells, SGMA vice president of government relations. "However, there will be significant repercussions internationally which could impact the sporting goods and fitness industries." The primary concern for SGMA is that the White House decision goes against the earlier G-20 pledge to avoid protectionism during this period of economic and financial turmoil. This new policy could sour the atmosphere at the September 24-25 G-20 summit in Pittsburgh and undercut the prospects for securing significant progress there on the Doha Round WTO negotiations which are critical to SGMA members' overseas market access objectives. Another problem for SGMA is

that this precedent-setting U.S. decision to grant relief in a China-specific safeguard case could embolden other trading partners to do the same. By making clear the intensity of its concerns about trading partners' usage of the China-specific safeguard mechanism, China had been successful to date in warding off affirmative decisions in such cases around the world with near perfect success outside the textile sector. This adverse decision by the United States now puts a major breach in that wall of defense, and the prospects for other countries taking similar actions in other product areas now has increased significantly.

Source : SGMA

Diadora Sale postponed until October

Diadora's sale of the founder of footwear firm Geox SpA has been put on hold until next month by an Italian bankruptcy court. As reported, the Italian-based Diadora SpA in June agreed to sell its business to Geox SpA's founder and chairman

Mario Moretti Polegato through his family's investment arm, Lir. Diadora America is a wholly-owned subsidiary of Diadora S.p.A but operates on a stand-alone basis from the parent. As such, the business is largely unaffected by the transac-

tion. Diadora SpA is expected to eventually be rolled into Geox S.p.A., which is a publicly-held Italian company. Lir owns majority interest in Geox with around a 71% stake.

Source : SportsOneSource

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SKINS and USA Cycling form Apparel Partnership

SKINS and USA Cycling jointly announced the upgrade of their partnership agreement in order to equip the athletes of USA Cycling. Beginning in February 2010, SKINS will provide its full range of competitive cycling apparel to USA Cycling athletes across the disciplines of road, track, mountain and cyclo-cross. The three-year agreement will remain in place through the 2012 Summer Olympic Games in London. This partnership underlines SKINS'

ongoing commitment to the cycling category worldwide. In addition to USA Cycling, SKINS maintains strategic partnership agreements with Cycling Australia, Team Columbia-HTC, Rabobank and Milram. The product research and development team at SKINS has worked aggressively to bring innovative new technology to the sport of cycling through the implementation of new fabrics and more aerodynamic designs. Cycling enthusiasts as well will be

able to benefit from this research and development as the full range of SKINS/USAC replica apparel will be available at retail in Spring 2010. In addition to providing the competitive apparel range, SKINS will continue to provide its recovery compression garments to improve the training, performance and recovery of USA Cycling athletes.

Source : *SportOneSource*

Under Armour Donates 3,000 pairs of Cleats to NYC's Youth

American Youth Football (AYF), the nations largest youth football organization, presented its Big Apple Youth Football Conference with 3,000 pairs of Under Armour cleats for its NYC participants to start the 2009 season off on the right foot. The Big Apple Youth Football conference took place Friday September 4th at 9:30 am on the football field of Poly Prep Country Day School, located at 9216 Seventh Avenue in

Brooklyn. The most recent recipient of AYF's giving back initiatives, the Big Apple Conference has 6,000 youth participants throughout Manhattan, Brooklyn, Bronx, Queens, and Staten Island. Thanks to Under Armour, AYF's premier sponsor, local players will receive the donation of cleats in time to kick off the youth football season. "Many families cannot afford a new pair of cleats this season, so kids either end

up playing in shoes that don't fit or they don't play at all," says Jessica Abramovich, AYF's Executive Director. "AYF and Under Armour are on a joint mission to provide all kids the opportunity to learn from the great game of football and are committed to helping young athletes realize their full potential."

Source : *SportsOneSource*

Tramondi operate with the quality seal „Fairtrade / Max Havelaar“

Tramondi is proud to announce their collaboration with the quality seal „Fairtrade / Max Havelaar“ as a distinction of their social fair business conduct. Tramondi is one of a handful ball manufacturers worldwide who can operate like that. This means not only coffee and bananas may be produced under Fairtrade conditions, but also sportsballs. The "Fairtrade / Max Havelaar" label stands for guaranteed minimum prices, long-term trading relationships, improved working conditions,

fairtrade community projects and environmentally sound production. Tramondi reduces it to a common denominator: "Our device is: good quality, good price and fair trade!" Peter Mucha, CEO Tramondi says: "We carry out our high standards in quality of our manufactured items in Pakistan on our act and our responsibility for the everyday life our worker's families: this means we undertake to finance the school's education for every workers child, this means we are paying the

school's fee, books and teaching material as well as school uniforms. That's how we avoid CHILD LABOUR as a follow up from missing esteem of educating children and youngsters and so we enable individual life prospects." These statements are allocated doubtless by its certifications of IMAC (Independent Monitoring Association for Child Labor), SAI (SA 8000) and UKAS (ISO 9001).

Source : *Tramondi*

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SGS adds CPSIA Testing to global bicycle testing services

SGS Consumer Testing Services has expanded its bicycle and bicycle accessories testing services to include testing for the presence of lead in paint and surface coatings in accordance with the U.S. Consumer Product Safety Improvement Act (CPSIA) of 2008. The company operates 20 CPSIA-certified labs around the world, including multiple facilities in China and Taiwan that routinely test bicycles, helmets and other bicycle products. This worldwide coverage, combined with SGS' substantial testing capacity, ensures rapid turnaround for SGS clients. SGS also offers a full range of other bicycle-related testing services cover-

ring everything from raw materials to fully assembled bicycles. The company performs both chemical and physical testing to confirm compliance with manufacturers' requirements as well as regulatory standards in U.S., Europe and Japan. "Importers and exporters should be putting their compliance programs in place well ahead of the December 21, 2010 deadline for third-party CPSIA lead testing now mandated for bicycle products by the Consumer Product Safety Commission," said Sanjeev Gandhi, Technical Director, SGS Consumer Testing Services. "SGS can assist in developing a plan to ensure that bicycle products

both meet the new standard and have the third-party documentation required to prove compliance." All SGS labs accredited under the CPSIA program are ISO 17025-accredited, as required, and can test to ASTM 963 and other ASTM standards for children's products. Reports provided by SGS can be used to create the certificates of compliance required to sell children's products in the U.S. market under the CPSIA legislation. Certificates of compliance are required for each stock keeping unit (SKU) subject to CPSIA rules.

Source : SportOneSource

Columbia Sportswear e-commerce site urges reused box shipping option

Columbia Sportswear Co. announced its reused box initiative has become very popular among outdoor consumers shopping at www.columbia.com, which launched just over a month ago. Since the launch of Columbia's e-commerce site in August, more than 60% of online customers have selected the used box option. When online shoppers reach checkout at columbia.com, the website gives them the choice of shipping their order in a previously used cardboard box. In addition to choosing a used box for shipping their Columbia purchases, customers can track the life of their box as part of a community website that Columbia has created called A Box Life at www.aboxlife.com. On the outside of each reused box, consumers will find an A Box Life sticker that includes a unique QR code (similar to a barcode) and

number. Before sending their reused box on its next journey, consumers can visit www.aboxlife.com to enter their box's unique number or scan the QR code using their mobile phone. Doing so will allow them to see where their box has been, post pictures and stories about their box and periodically return to the site to follow their box's journey, helping to illustrate the value that one box can deliver in its lifespan. "As a leading outdoor company, it is important for us to provide consumers with options that reduce packaging waste and to make business decisions that will reduce our overall environmental impact," commented Paul Zaengle, senior director of E-commerce for Columbia. "We have been very encouraged by the positive response to our reused box initiative and are thrilled to be able to provide our customers more res-

possible packaging solutions when they shop online at Columbia.com." Additionally, customers are encouraged to post pictures to the A Box Life Flickr group and to tweet about their box's journey. Consumers can simply add the hash tag #aboxlife to Twitter posts when they have something "box worthy" to share with the A Box Life community. Columbia.com ships the remainder of its orders in plastic bags containing 25% post-industrial recycled content and encourages reuse by including instructions on how consumers can use the bag again. Columbia's move to offer consumers recycled, recyclable, and reusable packaging solutions was developed to foster and support a growing consumer and company desire to reduce their collective environmental footprint.

Source : SportOneSource

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adidas and UEFA extend partnership for UEFA Euro 2012 and 2016

adidas and UEFA announced the extension of their long-term partnership for UEFA EURO 2012(TM) and UEFA EURO 2016(TM), along with all other national team competitions in the period from 2010 to 2017 under UEFA's EUROTOP banner. Under the term of the new contract, adidas will continue to be the supplier of the Official Match Balls for all of the above mentioned

tournaments. adidas will also continue to equip staff, officials, referees, volunteers and ball kids for all the national team competitions in Europe during the period.

In addition to UEFA EURO 2012(TM) and UEFA EURO 2016(TM), the UEFA EUROTOP agreement also includes a relationship with UEFA over all the national team competitions, including major tournaments such as the

UEFA European Under-21 Championship (2011, 2013, 2015 and 2017) and the UEFA European Women's Championship 2013 and 2017, and numerous education courses for coaches and referees through to the end of 2017.

Source : adidas

Oakley expands customized program to watches and backpacks

Oakley, Inc. announced the further expansion of its program that gives customers the option to customize select Oakley products. In addition to eyewear and performance goggles, the Oakley Custom Program (OCP) now includes timepieces and backpacks. "Style is what you make of it, and we're letting more and more people make exactly what they want," said Oakley CEO Colin Baden. "When we began the program with our eyewear, we never thought so many customers would embrace the opportunity of creative

freedom. Today we're adding timepiece and backpack designs to the range of products that can be customized. It's all about self-expression - a chance to sit in the designer's chair and create your own look -- and until now, that level of freedom has been a rarity for packs and watches. The expanded program opens the door to possibility, and opens it wide."

Oakley Holeshot and Holeshot Small are the first two premium timepiece products to join the Oakley Custom Program. Customers can select from

a broad range of color combinations for the case and dial face, as well as for the strap of each watch., Included with the program is the option of adding a custom etched inscription to the back of either timepiece design. Also part of the Oakley Custom Program, The Rework Pack is a unique backpack design that can be stylized with an array of options including user-selected shades for the main color, contrast color, trim, webbing, logo and zipper tape.

Source : SportOneSource

ASICS to open first US Store, expands into Golf and Lacrosse

ASICS plans to open its first store in the U.S. this fall. At an event showcasing its spring 2010 collections in New York City, ASICS officials also revealed plans to enter the golf and lacrosse categories in the U.S. for the first time. The store, opening at 42nd street and 6th avenue across the street from Bryant Park in New York City, will open October 19. The location, according to Heather Spears, spokesperson for ASICS America, focuses exclusively on running with the opening timed around the Nov. 1 New York City Marathon, which ASICS sponsors. Worldwide, the Manhattan location marks ASICS third store. The other two are in Tokyo and London. The NYC store will include a gait analysis

system. At the event at Sun Studios in lower Manhattan, ASICS America also revealed that it was expanding into golf footwear with a mid-November launch planned at Golf Galaxy. The line will eventually be expanded to Dick's Sporting Goods, Golf Galaxy's parent, and other sporting goods chains. According to Matt Donnelly, footwear manager for ASICS America, the company has long been selling golf shoes in the Japanese market. But it received "tons of calls" internally from customers and from retailers in the U.S. following the success of Japanese golfer Shingo Katayama at the Masters, where he placed fourth while wearing ASICS' GELACE golf shoe. He also said younger golfers such as

Katamaya and others have been looking for style in their footwear and apparel in what has been a "pretty conservative" category. ASICS also plans to enter the lacrosse footwear category in the U.S. in Spring 2010 as the sport continues to gain traction. Donnelly said lacrosse marks a continued expansion for the ASICS in team outside its roots in wrestling and volleyball. Field hockey, which the company entered two years ago, continues to do well. The extensions also reflect the strength of the brand in the U.S. market.

Source : SportOneSource

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Nature based outdoor activities growing, youth participation declining

In 2008, American participation in outdoor recreation was marked by encouraging growth in important segments of core outdoor activities as well as continuing, though less dramatic, declines in youth participation, according to a new report, the 2009 Outdoor Recreation Participation Report, released by The Outdoor Foundation. These trends show the beginning of adjustments in American lifestyles brought about by a challenging economy, shifting demographics and changing times.

"In today's economy, people are returning to simpler lifestyles – the

'less is more' ethic," said Christine Fanning, executive director of The Outdoor Foundation. "Historically economic downturns have resulted in increased participation in outdoor recreation. Nature-based activities provide fun, affordable recreation and vacation opportunities for individuals and families. In the resurgence of several core outdoor activities in 2008, we hopefully see Americans beginning to reconnect with nature. With the impacts of the obesity and inactivity crisis felt nationwide – particularly among our kids – a return to a healthier out-

door lifestyle is an encouraging development and important trend."

The report provides important insights into participation in outdoor recreation that are critical to efforts nationwide seeking to understand and reverse the growing inactivity crisis and the growing disconnect with the outdoors among youth and all Americans. Detailed information is included on youth, diversity, and gender – demographics essential to future generations of outdoor enthusiasts and conservationists.

Source : *SportsOneSource*

Brazilian Government applies to anti-Chinese footwear

For the next six months, imports of footwear from China will have a specific duty of U.S. \$ 12.47 a pair. This was the decision of the Board of Trade (Camex) published in the Official Gazette today (09), after examining the request of the Brazilian Association of Shoe Manufacturers (ABRACALÇADOS) to investigate the practice of dumping on Chinese exports of shoes to the Brazil. Milton Cardoso, president of the organization, said that this was a courageous decision of the Federal Government, demonstrating its commitment to industrial employment, which is also the best in the country. "But we will continue working for the implementation of a value greater than \$ 18.44 per pair, which was technically cleared by the Decom in the process that adds more than 30 thousand pages." Cardoso argues that the industry will have great momentum and will respond with the gene-

ration of more jobs that were lost in recent months because of unfair competition. "There were 42 thousand unemployed in the last quarter of 2008. We want to recover them and increase the supply of labor." The rate will be charged for the shoes located in positions 6402 to 6405 the Mercosur Common Nomenclature (NCM). But the shoes were excluded for the following segments: healthcare, safety, sandals Praiano, waterproof / injected, for skiing and surfing on the snow, babies with 100% in textiles and sandals.

After six months, the Ministry will officially confirm the damage and establish a final fee. However, the research process ends in December, should be implemented when the final rates that will prevail for five years. Heitor Klein, Executive Director of Abicalçados, remember that beyond the specific duty of U.S. \$

12.47, the Chinese footwear will also import tax of 35%, which is already charged for products from third countries outside Mercosur.

History - In October 2008, Abicalçados MDIC was filed in a petition to initiate an investigation of dumping for China and Vietnam, taking the last in December of that year. Having checked for evidence of dumping of exports from China to Brazil, causing damage to domestic industry, the research Secex began later that month. In June 2009, the Abicalçados filed a ministry correspondence reiterating the terms of the application on the request for application of provisional anti-dumping measure. The study period covers January to December 2007.

Source : *Brazilian Footwear Industries Association – Abicalçados*

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SPECIAL**WFSGI HANDBOOK 09 EXTRACT****Intellectual Property Rights – the way to become a global brand**

20/18/20 and 19 cm tall. These perfect measurements have long established themselves in consumers' minds as a distinctive mark of identification. Whenever we see the silhouette of a Coca-Cola bottle, we associate it with the famous brown soft drink from the southern United States and as the official thirst-quencher of Santa Claus himself.

The creative direction for the designers was not just to make sure the packaging stood out from the rest, it also had to be easily recognizable even in the dark. "Mission accomplished!" Not only can the bottles be identified in the dark, when we see just one piece of a broken Coca-Cola bottle, we are immediately able to associate it with the brand and thus the original product. A design created and patented in 1916 has made a decisive contribution to the global success of one of the world's greatest brands.

Any subsequent attempt by product managers to deviate from the patented bottle design has inevitably led to lower sales figures. This is a clear sign that the shape of the bottle has undeniably become a core element of the brand. In other words, as companies stimulate brand evolution, they must take care not to change the elements they are known for.

Creating a look that clearly distinguishes one brand from the rest is, however, just one example of how "intellectual property" can help make a brand globally unmistakable. Therefore, in the interaction between brand management and intellectual property, the focus should

be not just on design, the company logo or the claim as what makes and typifies a brand. That would make things far too easy.

Intellectual property can be used creatively in many playful ways to differentiate a brand from the competition, and all of these ways play a decisive role in global competition.

A further example of intellectual property and branding and certainly an ideal case that displays the opportunities presented through differentiation, is a patented technology that unmistakably stands for a brand.

In this case, a "well-rounded" product story underscored by technological exclusivity is the beginning of a wonderfully successful story. And it all began in 1995.

The idea for the product is simple and thus easy to convey – and what is far more important – to understand. "The shoe that breathes!" How logical!

The concept was born during a business trip to Reno, Nevada (USA). Mario Moretti Polegato, at that time still working for his family's winery, was taking a walk and got so upset by his "overheated" feet that he abruptly decided to cut a few holes in the rubber soles of his shoes. The pumping effect that this created as he walked, ended up pressing the heat out of his shoes and cooling his feet. The idea behind a worldwide brand was born.

The rest was a matter of continuous communication and focusing on this

one unique selling point, or USP. No creative "outbreaks," no today-we-stand-for-pretty-pictures-and-tomorrow-for-discount-prices, and then after that for a special membrane.

And the bare facts and figures? Since 1995, Geox has been able to post annual growth rates far above 20% and ended its 2007 fiscal year with global sales of 770 million Euros. Not bad for a small vintner from Northern Italy.

What makes such successful brands better than the others – or better yet, how do companies create successful brands?

The good news first. Brand building has nothing to do with witchcraft or immense budgets – though it should be mentioned here that both, of course, would make things much easier.

Successful brands simply make better use of intellectual property than their competition. It's not that they have better ideas, mind you, it's because they convey their merits to the consumer more credibly by employing continual communication.

When a consumer knows, or thinks he knows, what he can discover behind a particular brand name, the seller of that brand doesn't have to work as hard to sell. A strong brand name with clear positioning and/or statement makes his daily work easier. And not to the customer's disadvantage, either. The latter makes his purchase with the absolute certainty that he has received something outstanding for his money and

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thus made a good deal for himself.

And the pleasant side effect of this is that brands that use this intellectual property wisely earn more money.

A brand is the value consumers are willing to pay additionally for a specific product, i.e. the ADDED VALUE of that product.

Now comes the question, of course, as to why we are willing at all to pay a higher price for a particularly branded product. Simply put, we use brands and their stories to define our own personality, attitudes and views. In other words, we use branded products to show others that we belong to a particular group or to show our agreement with the story that brand tells. In addition, branded products are also a matter of emotion. Brands are emotional triggers, and not just for the people we meet while using a brand's products but also for ourselves, and that is the decisive factor. Brands stimulate our imagination and thus generate the added value that, in the final analysis, leads to a purchase. We buy branded products to make us feel good and put ourselves into our own, very personal "comfort zone." If we're wearing our favorite T-shirt from our favorite brand, we feel better, more appea-

ling and happier, which in turn will also give us much more self-confidence in our dealings with others.

So how can a brand and its story make more money?

Researchers conducted a series of tests on two different groups in an attempt to explain this and came to an astounding result.

Group "A" was shown bottled olive oil and asked what they would be willing to pay for it. The candidates agreed to pay a maximum of €4.40. Group "B" was shown the same bottle with this explanation: The olives come from ancient olive trees on the Liguria coast of Italy. The freshly harvested olives are collected in handmade wooden vats. The first drops of oil that run out of the vats from the natural weight of the olives are captured in this bottle thus creating an intense and well-rounded flavor. The candidates agreed to pay €15.40 per bottle!

Finally, a brand is a promise.

"We pave the way!"..."It's bottled nature!"..."It'll freshen you up someday!" – regardless of the slogan, and of the story you choose to go with it, one thing is of the utmost importance:

The story has to be true – just like the story with the olive oil from the coast of Liguria, by the way.

If a company for example tempts consumers with the slogan "There's no better way to fly," but at the same time has failed for years to rank among the top ten global airlines, it is quite apparent that the company needs to rework its offering quickly to deliver what the slogan promises. Nothing is worse for a consumer than discovering that a commitment and promise which led him to his purchase is invalid. It could affect the relationship indefinitely.

So in a day and age where consumers are confronted with up to 1,000 messages each day, the mission for brand managers is simple but challenging to accomplish. Find your USP, create your exclusive and unique intellectual property, ensure that it cannot be refuted and communicate it truthfully and consistently through every company channel.

By Guenter Schrotzhammer and Tanya Carter, "The Missing Link Brand Engineers, Munich", www.tmlbe.com

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