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Marketing El Dorado

How do you know if your brand is suitable for licensing?

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At first sight, licensing is the El Dorado of marketing opportunities. As long as you can stake your claim to a piece of precious intellectual property, other people will pay you for the right to design, manufacture and sell your products and all you have to do, in the immortal words of Robbie Williams, is “sit back and watch the royalties stack up.”

If you visit the licensing shows in London and New York, you’ll see many a starry-eyed exhibitor dreaming of licensing success on the basis that “all I have to do to build my brand is find someone to license it”. This is what I call ‘the indian-rope-trick approach to licensing’ and, very occasionally, it is brilliantly successful: Santoro graphic’s ‘Bang on the Door.’ have successfully licensed ‘Bang on the door’ and ‘Groovy chick’ on to more than 100 categories without anything other than a series of drawings. Graphic only brands can build momentum because there are some categories – mugs, nightware, bedding, and stationery for example –that will take a risk on a new license because they expect seven out of ten to fail anyway.

For corporate brandowners where the risk of losing market share is far greater than the potential reward from royalty, this scatter gun approach is not acceptable. However, there are still great benefits to be had from corporate brand licensing. Indeed, Playboy, Harley Davidson and Lovehearts, use their massive licensing revenue to prop-up their loss-making Publishing, Motorcycle and Sweet manufacturing divisions.

So what are the signs that your brand should start to take licensing seriously? Well, at Golden Goose there are 7 key ingredients that we look for that are likely to make your brand licensing programme a success:

1) **Busy: if you want a job done, give it to someone busy**

Paradoxically, the first sign that your brand might be suitable for the development of a licensing programme is that licensing is increasingly being seen as a distraction. As a licensing agency, we want to work with brands manager who are too busy brand building to think about licensing. These are the brands with the most potential to exploit.

2) **History: I can remember the good old days**



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Your brand should preferably have been around during the golden age of advertising (1960-1990), when there was only one channel taking adverts. Even if your brand hasn't done any marketing for the last 17 years, a previously popular advertising campaign can be the driver for a potential licensing programme. Retro brands are returning with a vengeance because of the layers of brand awareness built up by these old advertising campaigns that are now shrouded in nostalgia. Consider Cadburys bring back the Whispa, and Nestle bringing back Black Magic. Not to mention the furore when Heinz tried to scrap their salad cream.

3) Depth: It's not life or death, it's more important

Provided your advertising agency knew what it was doing, at some point during the last 50 years, the millions spent marketing your brand will have deepened its meaning. Just as the Ronseal strapline 'does exactly what it says on the tin' is now common parlance, your brand should have depth and meaning that goes far beyond the product. This depth can be revealed by consumer research or by launching new products – in either case you're testing the market.

4) Authority: Do one thing well

Your brand should be an expert in your product's development processes. Because every authority is a specialism of a more general area of knowledge, it should be possible to go back a step and extend according to the root of the knowledge. For example, to become experts in motorcycle manufacturing Harley Davidson would have to have become good at mechanical engineering and manufacturing generally. Because of this connection, the consumer is able to make a leap of faith such that: "Harley Davidson know how to make motorised machines that go fast therefore Harley Davidson can make a speedboat."

5) Iconography: who's that up there with the Moishie?

As the old joke goes, Moishie tells his friend he knows 'everyone' before his visit to the pope. An onlooker witnessing the audience with his holiness leans over conspiratorially to the watching friend and ask him: 'who's that up there with Moishie?' One of the big reasons a brand licensing programme either succeeds or fails is the viability of the logo, colour scheme and instant recognisability of the brand. Consider Ferrari's licensable elements – the distinctive red colour, the prancing stallion, the signature; or Guinness – the black and white colours and the distinctive logo.

6) Newsworthiness: I remember you

Once a brand has broken free from the gravity of anonymity and achieved the g-force of fame, it can never go back to its previous unknown state. Just as 'celebrity' status is conferred, often unwittingly, on people who stray into the media spotlight; brand's are



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under public scrutiny. Like celebrities, their every move is newsworthy. This newsworthiness is a currency that needs managing as it can lead to public fatigue if the brand gets over exposed through too much extension or too many all at once. Part of the problem with Kit Kat for example, is the continually launching new extensions from Kit Kat milk to dark to orange to peanut butter. Whilst not in themselves damaging, as a series they reek of desperation, downgrading the brands reputation.

7) Willingness: you can lead a brand to licensing but..

As John Stuart former Chairman of Quaker Oats Ltd famously said "If this business were to split up, I would be glad to take the brands, trademarks and goodwill and you could have all the bricks and mortar - and I would fare better than you." So just because your brand has great licensability, don't expect everyone in the organisation to sign up to something that might endanger your company's most important asset. To be effective corporate brand licensing requires the involvement of the entire company. A licensing strategy needs buy-in from representatives of the Marketing, Manufacturing, Legal, New Product Development, and Accounts teams.

If you think your brand might be licensable, please contact:

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