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adidas or Mercedes?

Which is the most powerful brand when it comes to licensing

Some brands represent the perfect image, state-of-the-art innovation, leading technical features etc, such as Mercedes, BMW, Audi and other similar brands.

Other brands capture consumers via pure emotions that are backed more by an implied lifestyle than tangible product specifications.

Can you honestly tell me what the real difference is between the Adidas soccer shoe P Absolado and Puma's evoPOWER 3?

Nevertheless, both brands create emotion amongst consumers and fans via their marketing communication and public relation campaigns, not to mention the association with leaders in sports - in other words, human beings in common with consumers. Overseas most German brands enjoy the credibility of what the 'Made in Germany' statement stands for. Made in Germany was actually created towards the end of the 19th century by the British to "brandmark" German products, which were considered, at the time, as being of lesser quality than British products! But this idea, designed to protect the British market against cheap competition from Germany, soon turned on its head in favour of Germany. As the quality of German products improved significantly with the progressing industrialization, Made in Germany became a seal of quality, value for money and reliability.

Quite frankly, when I travelled in years past around the world for business, I always enjoyed an immense bonus of trust because I came from Germany.

It is the same kind of trust that German brands benefit from today, regardless of whether the products are indeed made in Germany or abroad (but designed, engineered or otherwise influenced by German quality standards and control).

So German brands have a clear advantage compared to many other European brands. Okay, I agree, Italian brands are considered

Wouldn't you agree that, based on its business turnover (€64.3 billion) and its international prestige, the famous German automotive brand, Mercedes-Benz might be a better bet when it comes to licensing than, for example, adidas, Puma or Boss, which have a fraction of this turnover? Does that suggest they generate less leverage? What really drives brand licensing? Emotion or brand prestige and value? Michael Lou looks at the situation with German brands.



to be more stylish, French more *laissez faire* and Scandinavians often "cooler," but the sheer market presence and power of German brands internationally still dominates the field.

We have many brands that could be considered as ranking amongst the most powerful when it comes to brand extension, collaboration or licensing. Some are known around the world, others dominating locally but are much lesser known abroad (Nivea, TUI, ADAC, SAP etc.).

Regardless of which brand you pick, the higher licensing value comes certainly from emotionalizing the crowds with the story of your brand. And although Mercedes sales top Adidas sales by a multiple and in terms of prestige, Mercedes ranks certainly among the top brands, other brands like Adidas command better leverage in licensing. Why? Because the target group is larger, the affordability higher and the image stretches as wide as one can. From kids in remote living conditions to pop stars and top management, They all want to identify

with the sports giants that wear the brand or simply believe that, if their friends wear it, they also have to do so.

Whereas someone who can afford to buy a Mercedes, would not automatically chose one because his friend drives one, but also consider alternative options.

And, without doubt, the buyer of a Mercedes often expects to get several things included in the price of the car that would normally sell as licensed merchandise such as key rings, umbrellas, suitcase sets.

