

## The makings of a relevant brand

**IESE's J.L. Nueno and Gloria Andreu suggest that the best bet for building a relevant brand is to anticipate consumer expectations and offer forward-looking solutions.**

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A quarter of Interbrand's top 100 global brands for 2012 were tech-related — a testament to the growing value of the digital revolution.

As this ranking indicates, the leading brands of tomorrow will likely emerge from new sectors, rather than tweaks to existing ones, say IESE's [J.L. Nueno](#) and Gloria Andreu.

In their paper, the authors reflect on successful new brands, the sectors of the future, the opportunities presented by a multichannel strategy and the role that the image of the country of origin plays in a brand's success, highlighting Spain as an example.

### Learning from digital leaders

Google, Amazon, eBay, Facebook and Yahoo were not as relevant 15 years ago as they are today. What do these five preeminent players have in common, aside from being upstarts in the digital sector?

These companies all meet consumer needs in ways that are efficient and, so far, free. They are serial innovators: For example, hardly a month goes by without Google offering some new service. They have also had a transformative effect on their sector.

In short, these brands have succeeded because they brought about a radical change in how consumer needs and aspirations are being met. They ask themselves what consumers will demand in the near future, and if it is possible to be pioneers in these sectors, hence making their brands relevant.

A 2010 study by the Future Agenda program highlighted the key issues for the next decade, which served to identify the 20 most relevant sectors of the future, such as connectivity, payment methods, health and recycling.

For most brands, possibilities exist to meet genuine underlying needs in these areas. Companies can conceivably become global leaders in these sectors or in others that might become more relevant in the future.

## **The Spain brand**

Although there are Spanish companies orbiting around these promising future sectors, none is a pioneer.

In fact, Spain has yet to fully capitalize on its appeal as a tourist destination, or to make the most of a favorable decade of expansion during the 1990s, when many Spanish multinationals entered emerging Latin American markets.

While these markets are now more mature and sophisticated, Spain's domestic economic woes since 2008 have had a devastating impact on its multinationals: first, in terms of their market valuations; second, in putting burdens on self-financing and sustained expansion; and finally, in heightening the risk of government intervention, regulation or expropriation.

Spanish brands looking to go global in 2013 must deal with the fact that the "Spain brand" is tarnished — dropping from 8th to 13th place in Brand Finance's world ranking.

Spain's troubling economic situation must also be considered in light of new business realities. Not only has the economic center of gravity shifted to emerging markets, but generic brands have risen to levels that give branded products a serious run for their money.

## **Latent opportunities**

The authors suggest that incorporating digital technologies into traditional branding activities is one potential path toward value creation. If a geographically diversified business adds global e-commerce, the impact on the value of its brand could be exponential.

They encourage companies to employ their specialized know-how and creativity in responding to the needs of consumers who have pared down their spending. Brands that are on the side of consumers will achieve meaning and relevance — and that may present the greatest opportunities.

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