

# instinct™

Instinct is a monthly publication for clients, associates and friends of Ted Matthews.

Leading and inspiring all those who touch the enterprise to understand, embrace and enhance the power of your brand.

## Investors are people too.

**News item:** Canada's Dorel Industries- a manufacturer of household goods and products - complain their stock is undervalued because people don't know they are the name behind many successful consumer brands. This while their earnings rise on \$1.6 billion in sales through leading retailers like Wal-Mart and Toys'R'Us.



There was a time when investors got all of their investing information from their broker. The increasing popularity and pervasiveness of the 24/7 business news media and of do-it-yourself investing tools - such as BMO's InvestorLine - along with reduced trust have rendered the traditional broker model a thing of the past for many.

Today, powerful public brands need to work both two angles at once - the consumer market and investor awareness. It is no longer sufficient to provide analysts with your financial results on a quarterly basis - to ensure the market understands and values an offering appropriately. Research shows many people invest in the companies they know, who provide the products and services they like.

## What would brand coach suggest?

*Dorel have built their business with a combination of their own brands [Safety 1st], with licensed brands [Eddie Bauer and Disney] and with acquired brands such as Schwinn Bicycles. And while the products have sold, the Dorel name has not been part of it - impacting investor awareness.*

*Today's investing reality requires a whole new level of branding decision-making. Should your company operate as a House of Brands [as in the case of Dorel or General Motors], or a Branded House [as in the case of Rubbermaid or BMW]?*

*Multi-brand strategies are expensive to manage and the borrowed equity of a licensed brand is just that, borrowed. Both these scenarios will have an impact on the share value. Building your own brand is a slower process, but when it comes to real and perceived share value, there is no substitute for having built equity in your name.*