



BRANDS MATTER MANIFESTO

Brands are a fundamental part of the European Union's economy and play a key role in the everyday choices of each of us as consumers. We, the members of the Brands Matter Working Group, aim to advocate to European policy makers the importance of brands in a free and economically sustainable society.

Brands serve two dual purposes. First and foremost, brands help consumers navigate the huge array of product choices we make every day. They provide us with vital guidance as to the safety and quality of the products we consume and use on a daily basis. Secondly, brand equity creates intangible value for European businesses by generating product awareness and securing customer loyalty.

Protecting the Consumer

Brands enhance the customer's ability to interpret and process information, improve confidence in the purchase decision and affects the quality of the user experience. They achieve this in a variety of ways.

- Peace of mind: If the brands we use consistently deliver a positive experience, consumers form an opinion that the brand is trustworthy, which gives us peace of mind when buying.
- Brands save decision-making time: Picking a brand helps reduce the clutter, making it easier to find what we are looking for.
- Brands provide safety: By giving people what they expect, brands are shorthand for safety and reduce the risk of disappointment.
- Brands add value: The brands we use make a statement about who we are and who we want to be. People become emotionally attached to the brands they use and view them as part of their self-image.

Creating Value for Business

In many cases, brands, although intangible, are the most valuable thing that companies own, often worth much more than property and machinery. Millward Brown, a market research company, estimates that brands account for more than 30% of the stock market value of companies in the S&P 500 index.

- Brands create difference: Branding helps define—in an instant, with a minimum of thought—what makes a product different and more desirable than comparable products.
- Brands add value: Successfully branded products make more money for their companies by commanding premium prices.
- Supporting innovation: Research and development requires huge investment. Branded products, that generate sustainable profits, allow European business investment in the new innovative products and services that will define our collective futures.

As such, we have serious concerns about any legislative measure that could potentially have a detrimental impact on the value and visibility of brands. Policies that are adopted without considering all the evidence inevitably lead to unintended consequences that may prove harmful to consumers. We want to shape a brand policy which focuses on evidence and the benefits that brands bring to European consumers and European job creation.



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