



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



BRANDING

FOR COMPETITIVENESS
AND SUSTAINABLE
GROWTH



DEPARTMENT OF TRADE,
INVESTMENT AND INNOVATION

B4C
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BRANDING

FOR COMPETITIVENESS AND SUSTAINABLE GROWTH

Against the backdrop of accelerated globalization and intensified competitive pressures, enhancing export-competitiveness through various strategies and policies has become a central focus of governments of developed and developing countries alike. Recently, branding has become an important strategy tool to enlarge export market shares. The scope of the branding strategy has expanded from corporate to national and regional brands, to include brands like “Made in Asia” or “Made in Europe,” in which these different brands interactively promote one another.

Just as with building corporate brands, creating and sustaining national and regional brands calls for large involvement of all stakeholders (public and private), and for considerable investment in an image-building strategy and in research on external perceptions of national and regional products and their quality. But this strategic tool is also not free from exposure to the risk of failure. The recommended route to follow is to start from sector- or firm-led branding and then slowly continue to national and regional brand development (for example, from BMW or Mercedes Benz [corporate brand] to German [national] cars [sectoral] brand). Most importantly, increasing competitiveness is more than just rising export growth or gaining market share. It involves achieving competitiveness enhancement not through the

“low road” of cutting wages, devaluing exchange rates and disregarding labour or environment regulations — all incompatible with sustained growth — but through following the “high road” of competitiveness, the road of productivity enhancement. The high road consists of building capabilities to acquire and use new technologies to efficiently produce and trade diversified products in the quantity and quality high enough to support higher wages and national income.

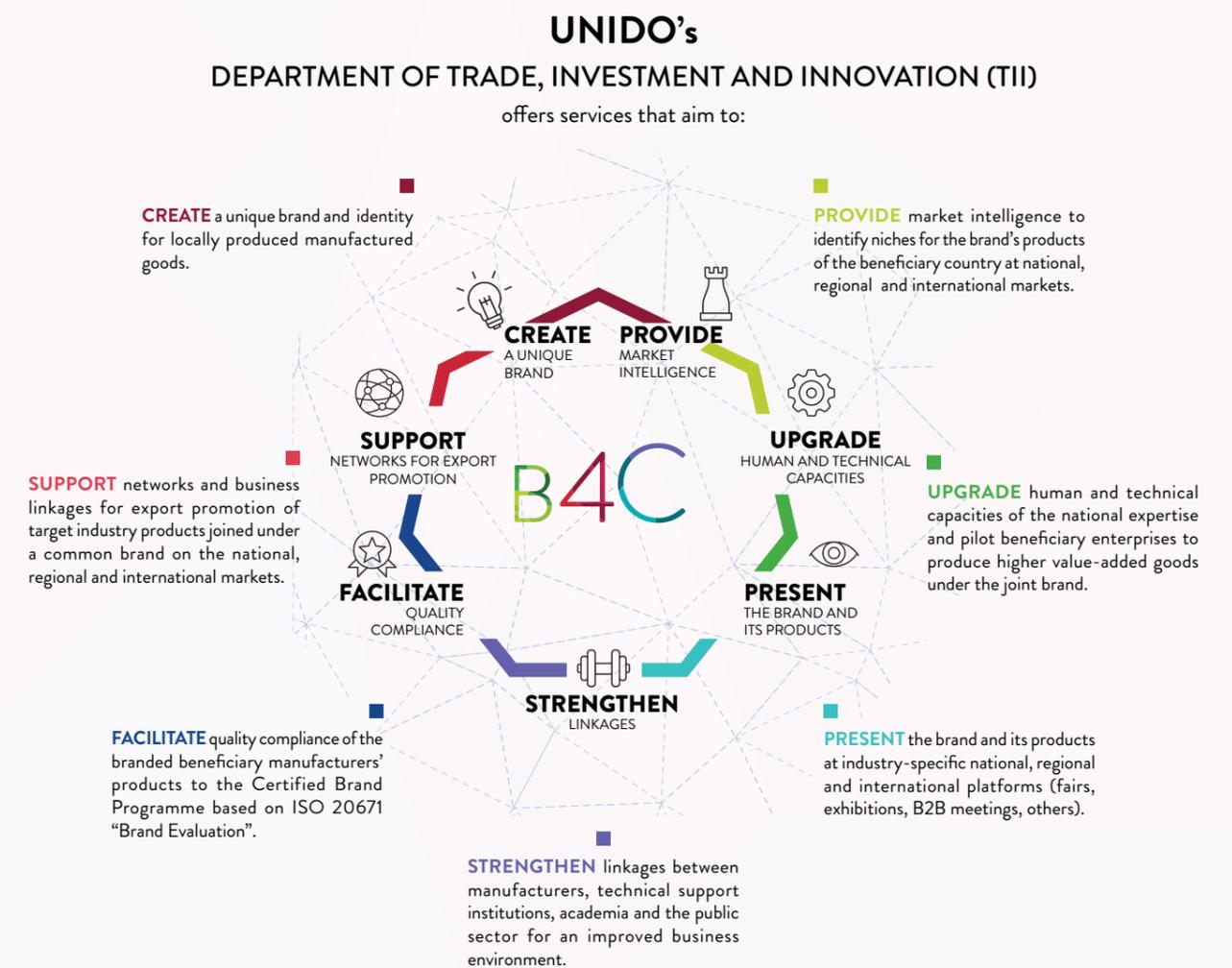
Own brand manufacturing, which is usually the most profitable segment of a global value chain, calls for market, technological competencies and innovation. Development of enterprises aiming to reach this segment of the market requires capability enhancement through expanding functional responsibilities, from original equipment manufacturing to including some responsibility for own design and manufacture, driving the firm to then market its own designs under its own brand and reach the own brand manufacturing position. This is the path followed by East Asian electronics firms. They have moved from being the original equipment manufacturers, or full-package suppliers, producing entirely according to the specifications of contracting firms, to being own designers and manufacturers, followed by own brand manufacturing, a full-fledged firm that produces its own line of branded products.

For the producers of branded products (e.g. Nestle in the food value chain), it is of the highest importance to capture much value added from the R&D during product development and from marketing; therefore, producers are keen to maintain the value of the brand and to avoid copying, through intellectual property protection. Their strong market position is the result of global brands and brands for a specific market or region.

An innovative technical service “Branding for Competitive and Sustainable Growth” within the UNIDO TIII Service Portfolio aims to address the increasing demand for technical support that boosts the competitiveness of

private sector enterprises and enhances market access through coordinated marketing and implementation of a joint branding strategy. This new module provides unique services within a joint, well-structured and demand-driven service package tailored to countries’ requests

and adapted to their specificities, which contributes to UNIDO’s ability to supply innovative, diversified and interrelated quality services for inclusive and sustainable industrial development.



Furthermore, this module also benefits from the partnership with the European Brand Institute (EBI), which is one of Europe’s leading platforms of brand value with 20 years of proven experience in brand and intellectual property valuation. Jointly with partners, UNIDO will guide beneficiary companies to maximize value and sustainability, increasing brand efficiency and effectiveness aiming to improve their brand’s financial performance and create value for business and jobs for the economy.

The EBI, jointly with a global team of brand management experts, developed a Certified Brand Seal of Quality that is an international standard for increasing the efficiency of value driven brand management, which is manifested in the new ISO 20671. The Certified Brand Programme based on ISO 20671 “Brand Evaluation” has been developed for the measurement, management and reporting of brands. The new global certification programme is a framework that defines the dimensions for holistic brand management and enables working efficiently to increase the brand value. The companies, regions and associations awarded with the Certified Brand Seal of Quality work on their future fitness in accordance with the highest standards of brand management in order to trigger improvements and increase the value of their brand.

The seal of approval, which is valid for three years, demonstrates the quality standard of the brand and creates the basis for ongoing improvements, process optimization and future-proofing of the company. The Certified Brand Seal of Quality leads through a multi-stage process, which is defined by the brand certification scheme based on ISO 20671.

In partnership with the EBI, UNIDO’s “Branding for Competitive and Sustainable Growth” module delivers know-how about better management of the brands according to the latest ISO standards, and organizes trainings for managers and coaches in the various

countries and business segments aiming to contribute to the brand value and economic growth.

UNIDO and partners will guide beneficiary companies to:



MAXIMIZE
value and
sustainability



IMPROVE
brand’s financial
performance



INCREASE
brand efficiency
and effectiveness



CREATE VALUE
for business and jobs
for the economy



SUCCESS STORIES

TAJIKISTAN-ARMENIA-MONTENEGRO



TAJIKISTAN

SUCCESS STORY

“LA’AL TEXTILES” BRAND OF THE YEAR 2017

“LA’AL TEXTILES” BEST NATIONAL BRAND

TAJIKISTAN

INDUSTRIAL MODERNIZATION OF CARPET WEAVING, EMBROIDERY AND TRADITIONAL TEXTILES IN THE REPUBLIC IN TAJIKISTAN

The UNIDO technical cooperation project, with an overall budget of USD 1.2 million and funded in equal shares by the Government of the People’s Republic of China and the Russian Federation, has focused on modernization of the pilot manufacturers of carpets and home textile products in Tajikistan.

MAIN APPROACH

This two-year project provided assistance to nine beneficiary manufacturing enterprises to improve productivity and quality, develop new designs for home textiles, accessories and carpet collections, looking for potential clients and preparing offers for them.

IMPACT AND RESULTS

The UNIDO project generated new jobs in less than 2 years with more being created within all beneficiaries of the UNIDO project. The project pilot beneficiary enterprises established business contracts for production of carpets and home textiles with international hotel chains (such as Serena Hotels), international hypermarket and retail networks (such as Auchan and JYSK), gastronomy centers and chains, supermarkets and other partners.

FACTS AND FIGURES

- » As part of 40 “on the job trainings” and “coaching” sessions, more than 535 experts gained skills on all stages of product production, including on client discussions, the design process, raw material

selection, calculations, advertisement, negotiation, production process monitoring, quality control and delivery.

- » As part of this project, the “LA’AL Textiles” brand was formed in 2015 by nine enterprises, producing three carpet and home textile collections that were presented at more than 16 national and international exhibitions. Creation of a unique Tajik brand “LA’AL Textiles” contributed to collective marketing activities aiming to facilitate improved market access for Tajik products to local, regional and international markets.

- » Out of 68 well-known Tajik brands considered at the national Pick of Glory competition, “LA’AL Textiles” was selected as the Brand of the Year 2017. “LA’AL Textiles” was also named the Best National Brand for its Contribution to Sustainable Industrial Development in Tajikistan and to the creation of new jobs, as well as facilitating expanding exports of Tajik products.





ARMENIA

SUCCESS STORY

TRIPLING SECTOR'S EXPORTS AND
DOUBLING EMPLOYMENT AT BENEFICIARY SMEs

ARMENIA

“IMPROVING COMPETITIVENESS OF EXPORT-ORIENTED INDUSTRIES IN ARMENIA THROUGH MODERNIZATION AND MARKET ACCESS”

The two-year pilot phase UNIDO technical cooperation project, with an overall budget of USD 1 million has focused on upgrading of pilot textile and garment producers, as well as enhancing the capacities of technical support institutions in Armenia.

During this phase, UNIDO trained more than 440 experts of the eight Armenian garment producers and created a new brand “5900BC” joining these enterprises for collective marketing activities and presentation of unique and innovative garment collections. Four “5900BC” fashion collections with more than 200 new models of garments were produced and exhibited at 4 international and 3 national exhibitions. A fashion school was established, which issues international diplomas in the garment design. One of these collections was spotlighted at a fashion show during the UNIDO’s 50th Anniversary Celebration Week in Vienna in November 2017.

As a result of the first phase of the UNIDO Project, Armenian garment manufacturers were able to:

- » Increase their technical and production potential
- » Improve the design and quality of products
- » Establish business partnerships with the largest garment manufacturers and retailers in the region.

In 2017, UNIDO and the Government of Armenia launched a second phase of this project with the financial support

of the Russian Federation. Aiming to boost the country’s textile, garment, leather and shoe sectors; this phase of the project expected to be implemented within three years and being expanded to cover industrial operators of the Armenian shoe and garment value chains. The productivity and competitiveness of 15 garment producers and 10 shoe manufacturers are to be enhanced, while business networking and institutional partnerships between shoe and garment producers and designers are to be promoted.

FACTS AND FIGURES

So far, as part of both project phases, UNIDO facilitated job creation with an increase of 62 per cent in garment producers and 11 per cent in the shoe manufacturing enterprises, while in 2016–2018 the turnover of beneficiary enterprises increased by 92 per cent, exports of goods nearly tripled (+196%), whilst employment at the beneficiary SMEs almost doubled (+91%).



5900 B.C.



MONTENEGRO

SUCCESS STORY

“DELICIOUS MONTENEGRO” BRAND PROMOTED WORLDWIDE
- FROM ITALY TO TAIWAN -

MONTENEGRO

“ENHANCING THE COMPETITIVENESS OF LOCAL SMEs IN MONTENEGRO THROUGH CLUSTER DEVELOPMENT”

UNIDO recognizes that linkages between agriculture and the tourism industry can help producers access new markets and generate new income and employment opportunities. At the same time, UNIDO recognizes that food and gastronomy are an essential component of the tourism industry and one means of showcasing authentic local culture or heritage. In addition, both sectors can greatly benefit from synergies with the creative industries.

In order to help disadvantaged regions of Montenegro to capitalize on their gastronomic wealth, UNIDO assisted in developing the ‘Delicious Montenegro’ brand. The idea is to unite different agri-food producers under one umbrella brand and to foster linkages and local networks with gastronomy and the tourism sector ensuring social inclusion and reducing tourism leakage. The ‘Delicious Montenegro’ brand can help promote market access for wine, fish and olive oil clusters and raise the profile of Montenegro as a travel and tourist destination.



KEY FEATURES OF THE INITIATIVE

UNIDO has adopted an integrated approach. The project is articulated into several interlinked activities:

- » Definition of brand elements and communication channels and promotional materials: brochure, roll-ups, posters, tags, flyers, website, etc.;
- » Tourist trail development (olive oil trails to link to tourism in the regions of Bar and Ulcinj), and to help the cluster tap into the significant competitive advantage of Montenegro’s rich olive oil cultural heritage);
- » National and international trade fair participation (the ‘Delicious Montenegro’ concept has been presented at the Slow Food Network’s ‘Terra Madre Salone Del Gusto’ in Turin—one of the most important events dedicated to food and gastronomy);
- » Targeted technical and vocational trainings in business management and marketing;
- » Training on the UNIDO cluster development approach for local government staff and business support associations;
- » Adding value to quality products through certification;
- » Engaging producers to co-develop a new brand of Montenegrin ancient olive oil;
- » Creation of wine routes to promote Montenegro’s autochthonous wine varieties;
- » Establishment of public-private partnership platforms.



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**TRADE
INVESTMENT
INNOVATION**



UNITED NATIONS
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