



**Asia-Pacific
Economic Cooperation**

One Village One Brand Project: Strategic Use of IP for SMEs in Developing Economies

**-Focusing on the study of cooperation between
developing and developed economies-**

**APEC Intellectual Property Experts Group
APEC Committee on Trade and Investment**

APEC Project CTI 20/2011A

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The objectives laid out in the project proposal are as follows:

- ✓ To contribute to the development of product brands through strategic use of IP in developing and least developed economies in APEC regions;
- ✓ To enhance capacities of local communities by improving their knowledge of IPRs utilization and protection via actual product branding; and
- ✓ To share the awareness of the importance of strategic use of brand and relevant IP system for trade and investment.

And the objectives have been fulfilled by:

- ✓ Developing and delivering a brand name, logo and its related strategies in China and Chile through conducting two pilot projects.
- ✓ Holding seminars on IPRs and branding, having discussion sessions, and providing branding consultations; and
- ✓ Developing a guideline for strategic use of IP for SMEs in developing economies, particularly, in the context of cooperation between developing and developed economies, and disseminating the guideline.

A lot of people have participated in this project including government officials, branding experts, researchers, lawyers, professors, translators, businessmen, Mexico and Thailand in the project application, especially, IPEG members from Japan and Chinese Taipei in the product selection step, and members of Anji Bamboo Association and ABA Distil for pilot projects in China and Chile.

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I. Introduction

1. Background and Objectives

APEC has a primary goal of "supporting sustainable economic growth and prosperity in the Asia-Pacific region."¹ To achieve the goal, APEC has promoted regional economic integration in the region through free and open trade. One of the principles of Osaka Action Agenda is "economic and technical cooperation" among the APEC member economies.² As Intellectual Property Rights Experts Group (IPEG) has recognized, IPR protection is "a key factor for promoting foreign trade and investment"³ because narrowing the gaps in IPR-related legal infrastructure and policies between developing and developed economies can be an important element to attract financing from abroad. In recognition of these, this project aims to spread understanding of importance to utilize IPR in terms of economic benefits to producers and the local community in developing economies.

One of methods to develop an awareness of importance of IPR protection would be branding which can be applied to the products in primary industries in developing economies. However, it is said that local communities or small and medium entrepreneurs (SMEs) in developing economies lack capacities to create and maintain their brands in addition to an awareness of a brand itself. This project aims to improve skills and knowledge to utilize legal tools for IPR and the strategies within local communities by conducting two pilot projects which cover developing a product brand and branding strategies.

Furthermore, sharing the project results and the lessons learned is the crucial element for obtaining successful outcome from this project. Thus, a strategic branding guideline for both developing economies and least developed economies has been developed. Particularly, the guideline focuses on cooperation between a developing economy and a developed economy in the context of brand development and its management.

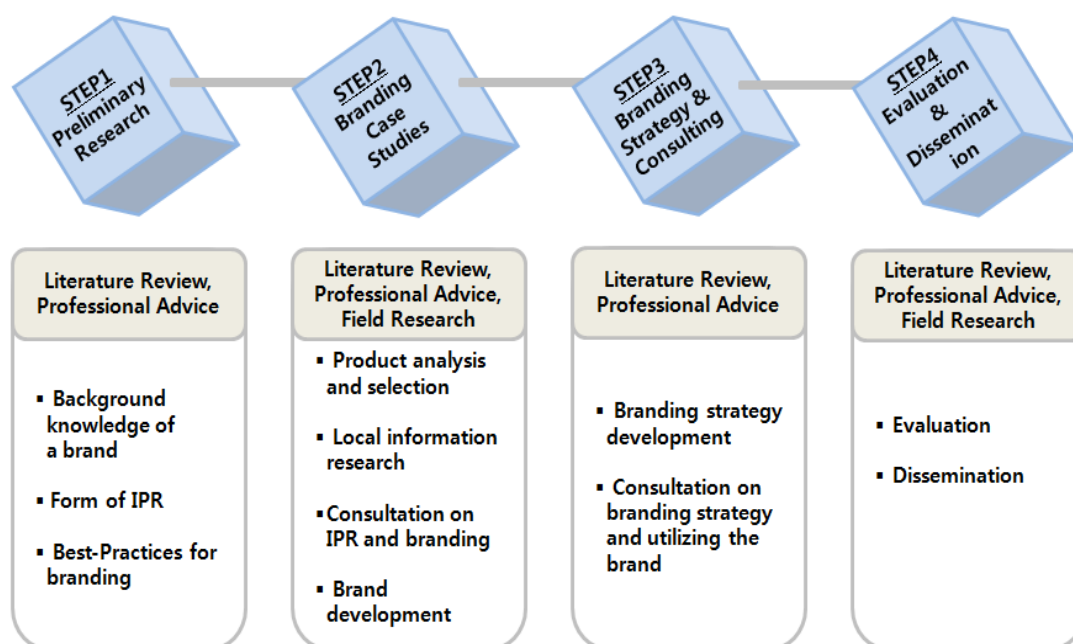
The said guideline and the case studies via this project will be delivered through this present report. In addition to the pilot projects and their branding strategies, this report covers short introductions to a brand and its role, IP tools for brands, brand management in SMEs, and best-practices of branding.

¹ APEC, <http://www.apec.org/About-Us/About-APEC/Mission-Statement.aspx>

² APEC, The Osaka Action Agenda: Implementation of the Bogor Declaration, P2.

³ APEC IPEG, <http://www.apec.org/Groups/Committee-on-Trade-and-Investment/Intellectual-Property-Rights-Experts-Group.aspx>

2. Scope of the Work and the Approach



<Figure 1> Scope of the work and the researching methodologies

This project has been carried out through preliminary research, branding case studies, brand strategy developments, branding consultations, and an evaluation. Finally, the result will be disseminated via a form of electric file and CD-ROM. In particular, while conducting this project, field research has been conducted in Chile and China, and seminars and meetings have been held therein.

II. Brand and Its Related Intellectual Property Tools

1. Definition, Importance, and Types of a Brand

(1) Definition of a brand

A brand has been used by producers to distinguish their products from those of others. The word 'brand' originated from the Old Norse 'brandra,' meaning 'to burn.' Historically, owners of animals had used a mark to identify their animals and distinguish them, and the word has continued from the ancient times to this day.⁴

⁴ Interbrand Group(1992), World's Greatest Brands: An International Review, New York: John Wiley.

According to American Marketing Association (AMA), an academic definition of a brand would be: A name, term, design, sign, symbol, design, or its combination that identifies one seller's good or service as distinct from those of other sellers. Thus, when a marketer develops a new name, symbol, and logo, it can be said that it is a process to develop a new 'brand.'

When applying this definition to the following pilot projects in chapter VI, the bamboo fiber in China, 'ANJIAN' covers not only its brand name but also the symbol of ANJIAN. And Chilean Pisco, MAQUIRE, covers its brand name, symbol, and bottle package design. In sum, these are put all together in a concept of a brand.

One important thing within the brand definition by AMA, a product should be identified by a brand name, logo, package design, and other characteristics, and the brand must be distinguished from other seller's one. Such tools for brands are called 'brand elements.' So brand name strategies, employing the brand elements, are implemented in various ways; for example, General Electric and Samsung use their company brand GE and Samsung respectively. However, Procter & Gamble gives each product an individual brand, regardless of its company brand, such as Braun, Duracell, Gillette, Head & Shoulders and Pantene; thus, P&G performs its marketing strategies and activities therewith not at company level, but at individual brand level.

Such brand names come from different types of origins as the follows. A cosmetic brand - Estee Lauder, a car brand - Porche and a Popcorn brand - Orville Redenbacher are derived from people's name. And Santa Fe perfume, Chevrolet Tahoe SUV, and British Airways originated from specific places.⁵ In case of the following pilot projects, brands fall in the above cases because 'ANJIAN' has come from a certain area – ANJI, and MCQUIRE has stemmed from founders' name. Furthermore, some brands come from animals or birds such as Mustang car, Dove soap, and Greyhound bus, and some are derived from objects such as Apple computer, Shell gasoline and Carnation evaporated milk.

In another case, brand names are made based on unique image of products such as Lean cuisine instant frozen food, JustJuice drink, and Ticketron ticket sales network. Sometimes, important attributes and benefits thereof are basis of the names; for instance, Diehard battery, Mop & Glo floor cleaner, and Beautyrest mattress. Also, some names use a prefix or a suffix depending on the purpose of products so that they seem to be intelligent, scientific, natural, or luxurious, for example, Intel microprocessor, Lexus vehicle, and Compaq computer.

⁵ Adrian Room(1992), Dictionary of Trade Greatest Brands: An International Review, New York: John Wiley.; Adrian Room(1982), Dictionary of Trade Name Origins, London: Routledge & Kegan Paul.

<Table 1> Types of brand name origins and examples

| Types of Origins | Examples |
|--|--|
| People's name | Estee Lauder, Porche, Orville Redenbacher |
| Places | Santa Fe, Chevrolet Tahoe, British Airways |
| Animals or birds | Mustang, Dove, Greyhound |
| Objects | Apple, Shell, Carnation |
| Unique image of products | Lean cuisine, JustJuice, Ticketron |
| Attributes and benefits | Diehard, Mop & Glo, Beautyrest |
| Prefix/suffix showing purpose or usage of products | Intel, Lexus, Compaq |

In sum, brand elements including a brand name, logo and symbol are developed on the basis of people, places, objects, or abstract images, and numbers or characteristic of such elements are employed to distinguish own brands from those of other competitors in the market.

In addition, brands can be understood both as a very complicated symbol, attaching diverse meaning, and as knowledge information system within consumers' minds.⁶ There are six levels of the meanings as follows:

<Table 2> Levels of Brand Meaning⁷

| Meaning | Description | Example |
|--------------------|---|--|
| Attributes | A brand brings to mind certain attributes. | Mercedes suggests expensive, well-built, durable, high-prestige vehicles. |
| Benefits | Attributes must be translated into functional and emotional benefits. | The attribute 'durable' could translate into the functional benefit "I won't have to buy another car for several years." |
| Values | The brand says something about the producer's values. | Mercedes stands for high performance, safety and prestige. |
| Culture | The brand may represent a certain culture. | Mercedes represents German culture: organized, efficient, high quality. |
| Personality | The brand can project a certain personality. | Mercedes may suggest a no-nonsense boss(person) or a reigning lion(animal). |
| User | The brand suggests the kind of customer who buys or uses the product. | Mercedes vehicles are more likely to be bought by 55-year-old top managers than by 20-year-old store clerks. |

⁶ Kim, J.(2007), Brand and Branding, Seoul: BMbooks, p. 23.

⁷ Kotler, P. (2003), A Framework for Marketing Management, Prentice Hall, p. 217.

1) Differences between a product and a brand

A product refers to a bundle of attributes supplied in the market for the purpose of attention, acquisition, use, and consumption to meet the consumers' needs and wants.⁸ Thus, a product may be either goods such as a cereal, a tennis racket or a car, or services such as an airline, a bank, or an insurance company. In addition, products may include distribution channels, for instance, a department store, specialty store, or super market, even an entertainer or a professional player may be a form of a product. Moreover, an organization, including an NGO, a trade organization, and an artist group, may fall in a type of a product, and a certain place, like a country or a city, may be included in the category. In other words, a product covers extremely broad areas.

Levitte defines a product at the five levels as shown in the following <Table 3>. He says most business competition exists at the augmented product level because, generally, companies can satisfy the consumers' needs at the expected product level. Also, in 'Marketing Myopia,' Levitt explains that emerging competition is not in products themselves, but in packaging, services, advertisement, customer counseling services, installment, shipping, storage, and so forth.⁹

<Table 3> Five Levels of Meaning for a product¹⁰

| Level | Definition |
|--------------------------------|--|
| Core benefit level | The fundamental need or want that consumers satisfy by consuming the product or service |
| Generic product level | A basic version of the product containing only those attributes or characteristics absolutely necessary for its functioning but with no distinguishing features. This is basically a stripped-down, no-frills version of the product that adequately performs the product function |
| Expected product level | A set of attributes or characteristics that buyers normally expect and agree to when they purchase a product |
| Augmented product level | Additional product attributes, benefits, or related services that distinguish the product from competitors |
| Potential product level | All the augmentations and transformations that a product might ultimately undergo in the future |

⁸ 'Needs' means a lack of necessity for living a basic life, and 'wants' means specific measures to meet the needs. (Park, C (2010), Principle of marketing, Bobmunsa.)

⁹ Levitt, T.(1960), "Marketing Myopia," Harvard Business Review, 38(4), pp. 45-56.

¹⁰ Levitt, T.(1980), "Marketing success Through Differentiation of Anything," Harvard Business Review, 58(1), pp. 83-91.

On the contrary, a brand puts additional dimensions to distinguish its own product from other seller's one, which is produced to fulfill the same needs, and thus, a brand can be defined as more than a product. Such differentiated elements may be either tangible forms relating to the performance of a product, or its symbolic, emotional, or intangible forms. In another definition by Achenbaum, he says "what distinguishes a brand from its unbranded commodity counterpart and gives it equity is the sum total of consumers' perceptions and feelings about the products' attributes and how they perform, about the brand name and what it stands for, and about the company associated with the brand."¹¹ For example, a brand like Gillette or Merck sustains its competitive advantage through innovation in the product lines¹²; however, other brand like Coca-Cola or Chanel No. 5 has created its competitive advantage through images appealing customers' motivation and desires to purchase the product lines. In other words, a brand may be distinguished based on intangible images associated with a product.

<Table 4> A product vs. a brand¹³

| A product | vs. | A Brand |
|---------------------------------------|------------|-------------------------------|
| Manufactured in a factory. | vs. | Formed in consumers mind. |
| Easily imitated by rival competitors. | vs. | Unique, and one and only one. |
| Easily old-fashioned and degraded. | vs. | Long-lasting, when succeeded, |

2) Differences between brand and branding

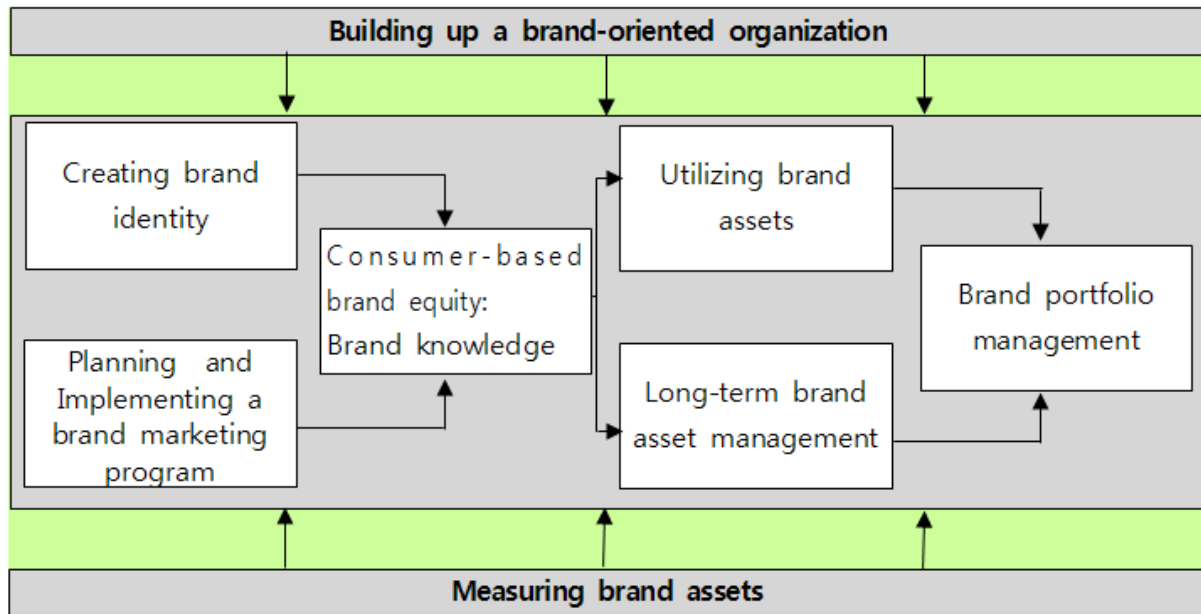
There is a term 'branding' which is easily found in brand-related literature. Branding is a process involved in creating a brand, the process includes a series of activities relating to brand management, and a brand is a result of the branding activities, and then such brand may be seen as brand image, brand equity, and so on. Particularly, Al Ries has emphasized that a successful branding program in 'positioning' is founded on a concept of uniqueness, and thus it must make the potential consumers perceive that there are no similar or same products in the market.¹⁴ Such branding can be expressed as the following model.

¹¹ Achenbaum, A. A.(1993), "The Mismanagement of Brand Equity," ARF Fifth Annual Advertising and Promotion Workshop.

¹² Boston Consulting Group conducted a survey on Top 20 Innovative Companies in the World targeting 940 senior executives in 68 countries in 2005, 1:Apple, 2:3M, 3:Microsoft, 4:GE, 5:Sony, 6:Dell, 7:IBM, 8:Google, 9:P&G, 10:Nokia, 11:Virgin, 12:Samsung, 13:Wal-mart, 14:Toyota, 15:eBay, 16:Intel, 17:Amazon, 18:Ideo, 19:Starbucks, 20:BMW (Nussbaum, B.(2005), "Get Creative," Business Week, August 1, pp. 61-68.)

¹³ Kim, J.(2007), Brand and Branding, Seoul: BMbooks, p. 25.

¹⁴ Ries, A. and J. Trout(2004), Positioning: The Battle for Your Mind, American Media International.



<Figure 2> A Branding Model¹⁵

(2) Importance of a Brand

The differences in answering the following question depend on consumers, companies, and marketers, questions: why is a brand important? And what is the role of a brand? The differences are described in the following <Table 5>.

<Table 5> Role the brands play¹⁶

| Consumers | Manufacturers |
|--|---|
| <ul style="list-style-type: none"> - Identification of source of product - Assignment of responsibility to product maker | <ul style="list-style-type: none"> - Means of identification to simplify handling or tracing - Means of legally protecting unique |

¹⁵ Kim, J.(2007), Brand and Branding, Seoul: BMbooks, p. 62; Brand asset or brand equity may be used interchangeable, but brand asset is a quantative concept (by Aaker) and brand equity is a qualatiive concept (by Keller). Brand asset is an important concept that influences the future profits of a company and long-term cash-flowing (Srivastava and Shocker, 1991), willingness to pay a price premium (Keller, 1993), M&A decision making (Mahajan et al., 1994), stock price(Simon and Sullivan, 1993; Lane and Jacobson, 1995), sustainable competitive advantage((Bharadwaj et al.,1993), marketing outcomes (Ambler, 1997), and so forth. That is a view of focusing on value in the market. However, Yoo and Donthu(1997) developed a measuring tool for consumer -based brand equity as opposed ideas of monetary value of brand. According to Keller(1993), consumer-based brand equity explains brand equity from consumer perceptions and it stems from consumer's knowledge, familiarity, and association with the brand. Such consumer-based brand equity is an essential element for it influences effects of branding strategy in accordance with consumer memory structure and contents. (Kim, M.(2011), "An Empirical Study on an Evaluation of Cobrand Equity and Determinant Issues between MNE and Local Brand," Doctoral Dissertation, Korea University Business School, pp. 50-51.)

¹⁶ Keller, K. L.(2007), Strategic Brand Management: Building, Measuring and Managing Brand Equity, 3rd edition, Pearson International, p. 7.

| | |
|--|---|
| <ul style="list-style-type: none"> - Risk reducer - Search cost reducer - Promise, bond, or pact with marker of product - Symbolic device - Signal of quality | <ul style="list-style-type: none"> features - Signal of quality level to satisfied customers - Means of endowing products with unique associations - Source of competitive advantage - Source of financial returns |
|--|---|

1) Importance to consumers

From consumers' point of view, brands play important function roles. In this case, consumers include not only individuals but also organizations. A brand identifies its maker or source, besides it clarifies responsibilities of a specific maker or a distributor. However, it is the most important role of a brand that a brand itself gives consumers special meaning.

Consumers have awareness of a brand through certain goods or marketing programs, and consumers' past experiences build consumer behavior and brand satisfaction.¹⁷ Such behavior simplifies purchase decision making process.¹⁸ If a consumer has awareness of a certain brand and knowledge of such brand, he/she can omit necessary additional considerations or processing of information. From economics point of view, a brand can lower internal search cost (for additional considerations in minds) and external search cost (for information search) as well. Thus, consumers draw products based on information about quality or product characteristics with knowledge of a brand, whereas based on consumer behavior without such knowledge.

Also, the relationship between brands and consumers may be a sort of a bond or a pact. Consumers expecting product performance, an appropriate price, promotion, and distribution programs show their loyalties and trusts. Consumers perceive advantages and benefits from purchasing the brand, they get satisfaction from it, and then they repurchase the brand.

However, such advantages and benefits are not given simply by functionality. Consumers adopt brands as symbolic means mirroring their self-image. For instance, Mercedes makes them be seen

¹⁷ In economics, it is called 'signaling theory.' According to Akerlof, consumers bear risks of negative results because there is quality uncertainty from an asymmetry in available information between sellers and buyers before purchasing products. However, brand names indicate quality of products, reduce risks of negative results, and guarantee quality of products. (Akerlof, G. A. (1970), "The market for lemons: Quality under uncertainty and the market mechanism," *Quarterly Journal of Economics*, 84(3), pp. 488-500.)

¹⁸ Jacoby, J., J. C. Olson and R. Haddock(1971), "Price, Brand Name, and Product Composition Characteristics as Determinants of Perceived Quality," *Journal of Consumer Research*, 3(4), pp. 209-216.; Jacoby, J., G. J. Szybillo and J. Busato-Schach(1977), "Information acquisition behavior in brand choice situations," *Journal of Marketing Research*, 11, pp. 63-69.

as successful men. They deliver a message of who they are or who they want to be by consuming specific brands.

In addition, a brand can reduce risk in purchasing decisions. Consumers can face some risks when purchasing a product as in the following <Table 6>. Among other things, one of solutions to overcome such risk is purchasing a brand which a consumer has been satisfied with from his/her own past experiences. In this case, a brand is used as risk management tools.

<Table 6> Types of Risks in Buying and Consuming a Product¹⁹

| Risk | Meaning |
|--------------------|--|
| Functional risk | The product does not perform up to expectations |
| Physical risk | The product poses a threat to the physical well-being or health of the user or others |
| Financial risk | The product is not worth the price paid |
| Social risk | The product results in embarrassment from others |
| Psychological risk | The product affects the mental well-being of the user |
| Time risk | The failure of the product results in an opportunity cost of finding another satisfactory product. |

2) Importance to companies

A brand performs valuable functions.²⁰ Basically, a brand is used in order to simplify product handling and tracing processes, and it is a unit of an inventory and accounting records in terms of business operation.

Besides, companies may obtain their legal rights – one of important purpose of this present study – protecting unique characteristics or appearance of their product, which are fruits of their R&D and innovations, through brand. In other words, a brand may give IPRs to the brand owner.²¹ It may be seen that IPRs start from the brand names, ANJIAN and MACQUIR in the following pilot projects. Particularly, the brand names are protected by registered trademarks, the manufacturing processes are by patents and the packaging is by copyright or design. That is, IPR makes companies invest their brands and the brands become valuable assets.

¹⁹ Roselius, T.(1971), "Consumer Ranking of Risk Reduction Methods," Journal of Marketing, 35, pp. 56-61.

²⁰ Chernatony, L. De and G. McWilliam(1989), "The Varying Nature of Brands as Assets," International Journal of Advertising, 8, pp. 339-349.





















²¹ Bagley, C. E.(1995), Managers and the Legal Environment: Strategies for the 21st Century, 2nd edition, St. Paul, MN: West.

As mentioned above, a brand is a differentiating device between own company's product and those of others. And a brand is a shorthand device in repurchasing decisions for consumers by making them expect certain level of product quality.²² Such brand loyalty enables companies to predict demand and secure it. Moreover, it may act as a barrier of entry to new comers in the market.

Actually, it is likely that manufacturing processes and product designs are copied. On the contrary, images held in consumers' mind, through product experiences and marketing activities for several years, are not easily created. In this sense, a brand is a competitive advantage.

In sum, for companies, a brand is a legal asset, means affecting consumers behavior, and a device guaranteeing constant profit generation.²³

<Table 7> 2011 Ranking of the Top 20 Brands²⁴

| Rank | Previous Rank | Brand | Brand Value (\$m) | Rank | Previous Rank | Brand | Brand Value (\$m) |
|------|---------------|---|-------------------|------|---------------|---|-------------------|
| 1 | 1 |  | 71,861 | 11 | 11 |  | 27,764 |
| 2 | 2 |  | 69,905 | 12 | 12 |  | 27,445 |
| 3 | 3 |  | 59,087 | 13 | 14 |  | 25,309 |
| 4 | 4 |  | 55,317 | 14 | 8 |  | 25,071 |
| 5 | 5 |  | 42,808 | 15 | 15 |  | 24,554 |
| 6 | 6 |  | 35,593 | 16 | 13 |  | 23,997 |
| 7 | 7 |  | 35,217 | 17 | 19 |  | 23,430 |
| 8 | 17 |  | 33,492 | 18 | 16 |  | 23,172 |
| 9 | 9 |  | 29,018 | 19 | 20 |  | 19,431 |
| 10 | 10 |  | 28,479 | 20 | 22 |  | 17,262 |

In this point of view, a brand is calculated finically, Interbrand, a brand consulting firm, has released Top 100 global brands on the basis of brand value annually. In the analysis, brand assets are calculated on the current value of the financial performance, the role of brand, and the brand strength.²⁵

²² Erdem, T. and J. Swait(1998), "Brand Equity as a signaling phenomenon," Journal of Consumer Psychology, 7(2), pp. 131-157.

²³ Bymer, C.(1991), "Valuing Your Brands: Lessons from Wall Street and the Impact on Marketers," ARF Third Annual Advertising and Promotion Workshop.

²⁴ Interbrand, 2011 Ranking of the Top 100 Brands, <http://www.interbrand.com/ko/best-global-brands/best-global-brands-2008/best-global-brands-2011.aspx>.

²⁵ Interbrand, <http://www.interbrand.com/ko/best-global-brands/best-global-brands-methodology/Overview.aspx>

(3) Types of a brand

Type of a brand is extremely widely defined, and it varies depending on the classification standards. The brand classification standard may be listed as follows: brand hierarchy, brand portfolio, brand leadership, consumer benefits, type of ownership, pricing, market area, brand strategy, and so forth. This present study would introduce some types of a brand based on importance of the classification standards and relevance to the study.

1) Classification by Brand Hierarchy²⁶

According to Keller (2008), a brand hierarchy is a means of displaying the number and nature of common and distinctive brand elements.²⁷ Brand classification according to brand hierarchy, it is categorized by group brand, corporate brand, family brand (or blanket brand), individual brand, and brand identifier.²⁸

Group brand uses a name of group as a superordinate concept of the business such as Samsung, Lotte. Corporate brand employs general corporate or company names on its products. It is useful when the company specializes in a certain type of business, because consumers can remind a specific industrial field from the brand. For instance, SK is a group brand, and SK Telecom is a corporate brand.

Family brand may be used as corporate brand name or used separately from the corporate brand. It is also known as umbrella brand. Family brand facilitates new business entrance as a differentiated strategy, or divided and distinguish its each business division in the company. General Motors is a typical example of a company that chooses a family brand strategy, it has Buick, Cadillac, Chevrolet, GMC, Opel, Vauxhall, Holden, and so forth.²⁹

Individual brand does not rely on the effect of endorsement by the integrated brand like corporate brand or family brand. The individual brand often takes names from attributes, components, characteristics or benefits of a product, or an abstract concept, and it is generally found in product category, where a brand dies down relatively easily. Individual brand may break free from a negative image of company brand, and each brand name may be managed through separate marketing activity.

²⁶ Farquhar, P. H., J. Y. Han, P. M. Herr and Y. Jjiri(1992), "Strategies for Leveraging Master Brands:How to Bypass the Risks of Direct Extensions," *Marketing Research*, 4(3), pp. 32-43

²⁷ Keller, K. L.(2007), *Strategic Brand Management: Building, Measuring and Managing Brand Equity*, 3rd edition, Pearson International, p. 41

²⁸ Kim, S. and J. Lee(2009), *Strategic Brand Development*, Bobmunsa, pp. 27-32.

²⁹ <http://www.GM.com>

For example, P&G and Swatch Group have employed individual brand name strategies. In this present research, the Chilean Pisco mixed drink falls in the category of individual brand. The brand, MACQUIRE, is launched by giving weight to images of a new mixed drink with Maquiberry fruit, rather than those of company brand, ABA.

Brand identifier represents components or attributes of a product as a modifier. Brand identifier focuses on describing characteristics of a product in detail. Mainly, it is used to show differentiation in products, especially, vertical differentiation in qualities. For the purpose, brand identifier includes, for instance, the word 'gold' or 'max', a number, an alphabet, or a combination of these.

2) Classification by sales area

Sales are naturally affected by the scope of sales area, which consumers can purchase products, and market expansion. Brands also are classified by brand sales area, and the category includes global brand, international brand, national brand, and regional brand.³⁰

Global brand can be described that a brand has more international sales than domestic sales based on its brand awareness and trust in its product in worldwide market. Usually, it is employed when a company already has monopolistic advantage in its domestic market and it wants to continue to enjoying the power by enlarging the market targeting worldwide consumers.

In the background of global brand growth, consumers' needs become homogeneous due to the development of traffic, communication, and IP. To be a successful global brand, brand identity, which shows unique characteristics and consumers' awareness, must be created. For example, Harley Davidson has tough and liberal images from traditional motorcycle designs. ANJIAN and MACQUIRE in this present study might be a form of global brand when the producers launch standardized products targeting a global market.

International brand may be similar to global brand in terms of worldwide market areas, but there are some differences. International brand may be described that it cannot implement standardization strategies and is limited in a certain continent or dozens of countries due to cultural or national differences, and then international brand covers relatively smaller sales areas than global brand. Generally, although international brand enjoys its impeccable reputation in a domestic market, its mother company has weak financial or organizational infrastructures, or weak brand identity or brand power for a global market.³¹

³⁰ Son, I. (2003), *Brand Identity*, Seoul: Kyungyoung Jungsins, pp. 64-70.

³¹ According to Levitt, Multinational enterprises(MNE), which try to localize their brands at consumer tastes and preferences by country, naturally fail as the wants and needs are identical in the global market. There is a difference between a MNE and a global enterprise: MNEs

National brand, according to American Marketing Association, is defined as "a brand that is marketed throughout a national market and ... usually is owned by a manufacturer."³² Generally, it is known as manufacturer brand, as distinguished from a private brand. Commonly, it is understood as domestic brand or name brand, it is limited in a certain country for unique culture or difficulties in opening up a new foreign market, though it has a potential to enter the overseas market in the future. Mostly, brands in developing economies which concentrate on their domestic markets are involved in this category. Particularly, it includes food, beverage, confectionery, household goods, and so on.

Regional brand is a brand used in a restricted geographical area within a country, generally, due to laws restricting the business area or small size of the business. Laws, in this case, are enacted to prevent market destruction by building a barrier, not allowing companies to enter the market, when companies and brands exceed the market size. Also, as mentioned above, when a company is very small, the company launches its brand at regional level; and then it may grow as a national brand by expanding the sales area.

3) Classification for this present study: Co-brand vs. Individual brand

In this section, what co-brand is will be introduced because ANJIAN has been developed as a co-brand in the following pilot project. Currently, ANJIAN has been developed as a collective mark playing roles of a CI of the producers association and a certification brand as well. However, the brand consultants have forecasted a desirable role of ANJIAN and advised the association to promote a co-brand business in the future.

There are no general academic definitions of a co-brand. A co-brand is interchangeably used with a brand alliance and a composite brand. Sometimes it is interchangeably used with brand bundling, a cross brand, and so on.³³

Here in this present study, the meaning of a co-brand is limited as follows: companies lower their individual marketing and promotion expenses by adopting a single brand in a single or multiple industrial fields, and the single brand helps companies concentrate their resources on R&D and improvement in quality by cutting down the cost.

sell not standardized product, but individualized and localized ones in each country, whereas global enterprises sell same products and employ same marketing strategies consistently as the world is one market. (Levitt, T.(1983), "The Globalization of Markets," Harvard Business Review, May-June, pp. 92-102.)

³² American Marketing Association, http://www.marketingpower.com/_layouts/Dictionary.aspx?dLetter=N

³³ Kim, M.(2011), "An Empirical Study on an Evaluation of Cobrand Equity and Determinant Issues between MNE and Local Brand," Doctoral Dissertation, Korea University Business School, pp. 13-20.

Generally, such co-branding is adopted by small and medium companies strategically; however, it tends to be employed among large companies or heterogeneous businesses recently. And this kind of cooperation arises from a motivation to reach a wide consumer base.³⁴ In addition, a co-brand may be implemented to grow its local economy by moving away from an OEM in specialized industries in its region, and cultivate new foreign markets by raising national competitiveness. It is seen that ANJUAN is launched for this purpose.

Once companies implement co-branding strategies, they start to co-develop their products to maintain same brand image across all their products. During the co-development, they may form technical partnerships and gain a competitive advantage via new technology licensing. Additionally, it helps each producer reduce quality gaps in their products and cut expenses through group purchasing of raw materials. Moreover, it makes the producers establish common distribution channels so that they reduce retail margin and they have an advantage over other producers in terms of in a price competition. Hence, companies get benefits from common advertising, PR and sales promotion.³⁵ Pros and Cons of a co-brand and an individual brand are in the following <Table 8>.

In sum, companies tend to extend co-branding strategy from their marketing activities to whole business area. If the strategy is well developed and executed, it may be a strong tool for strengthening competitiveness.

A Japanese co-branding project, 'WILL' shows a good example of co-branding strategy. In Japanese car market, while Honda earns brand loyalty from young people, Toyota earns brand loyalty from those of who are in the middle age and elderly people. Thus, Toyota has sought for ways to cooperate with other companies and thereby expand consumer base to young people by promoting co-branding project 'WILL' in August of 1999. In the beginning, Matsushita Electric Industrial, which is famous for Panasonic and National brands, Asahi beer maker, Kao household goods and Kinki Japan Tourist have participated into the project, and later, Gluco food and Kokyuo stationery have joined the project. The brand 'WILL' appeals to young people with new concepts in cars, electronics, foods, stationery, and tours. Particularly, they analyzed consumer behavior of young people, and then picked up four themes of 'relax, emotional, creative, and cool'. They have conducted promotional activities based on the four themes and tried to attract the target consumers. It turns out that the co-branding strategy is very effective so that consumers brand awareness about 'WILL', in their 20s and 30s, reaches 83%.³⁶

³⁴ Son, I. (2003), *Brand Identity*, Seoul: Kyungyoung Jungsin, pp. 110-113.

³⁵ Yoon, Y. et al.(2009), *Brand Marketing*, Seoul: Bobmunsa, pp. 141-142.

³⁶ Son, I. (2003), *Brand Identity*, Seoul: Kyungyoung Jungsin, pp. 111-112.

<Table 8> Advantages and Disadvantages of a Co-brand and an Individual Brand³⁷

| | Co-brand | Individual brand |
|----------------------|---|---|
| Advantages | <ul style="list-style-type: none"> • Highly effective marketing cost reduction. • Perceived as confident companies by employing a single brand on multiple product lines. • Positive effects from other products under the co-brand. | <ul style="list-style-type: none"> • Enabling to employ separate marketing strategy for a brand. • Enabling market fragmentation by brands. • Less cannibalization effect than a co-branding strategy by targeting other segmented markets. • Less negative effects from the failure of other products. |
| Disadvantages | <ul style="list-style-type: none"> • Adverse effects from failure of other product. • Difficulties in maintaining a co-brand strategy for an earlier unequaled brand. • Cannibalization effect from new similar products | <ul style="list-style-type: none"> • Incurring expensive marketing expenses. • No ripple effects from other successful brands. • Consumer confusion from too many brands. • Increasing brand management costs. • Resulting in inefficiency in brand management. |

2. Intellectual Property Tools for a Brand

Almost every business has its product brand and producers have their name, their image or reputation for quality; however, it still needs legal protection to obtain ownership over the product brand. Typical IP tools to protect and utilize a brand are briefly introduced in this section.

(1) A Trademark

A trademark is "a distinctive sign which identifies certain goods or services as those produced or provided by a specific person or enterprise."³⁸ Although a brand name and a trademark have a common element of distinctiveness for a product or a service, a trademark is different from a product or service name or logo in terms of granting an exclusive right to an owner over the mark.

³⁷ Yoon, Y. et al.(2009), Brand Marketing, Seoul: Bobmunsa, pp. 140-141.

³⁸ WIPO, What is a trademark? <http://www.wipo.int/trademarks/en/trademarks.html>

By granting the exclusive rights, it enables trademark owners (e.g. producers, service providers) to be rewarded in terms of consumer awareness and financial profits. Also, trademark protection prevents competitors from unfair competition including manufacturing counterfeit goods which use similar or confusing signs on other inferior goods. Thus, a trademark protection, in addition to developing a brand and its related strategies, is a prerequisite to enjoy full benefits from brands, and an essential step in eliminating the risk of wasting expenses is to file a trademark application as soon as possible so that others cannot free-ride on the mark. A distinctive mark is protectable, with some exceptions³⁹, and a trademark which is not distinctive is considered weak and cannot be registered or protected without creating consumers' awareness.

In addition to a trademark identifying the commercial source of goods or services, usually, trademark law protects several other categories of marks such as a collective mark and a certification mark. A collective mark refers to a mark owned by a collective body founded in association with persons who conduct business activities such as producing and selling goods, members of the collective body can use the mark for their goods or services. A certification mark is a mark indicating that the goods or services are certified by the proprietor of the mark in respect of origin, material, mode of manufacture of goods or performance services, quality, accuracy and so forth.

Furthermore, although a trademark law is a national law, market becomes globalized both for products and services. Thus, people, particularly global companies, feel needs establishing an international system for a trademark registration. And the Madrid system for the international registration of a trademark established in 1989, and the system is administered by the WIPO.⁴⁰ Currently, 86 countries are members of the Madrid Protocol, and 56 countries are parties to the Madrid Agreement. It requires only one international application, and the protection of a trademark in each of contracting parties starts the same, the date of the international registration. In addition to such international trademark registration system, there are several international registration systems in their regions including OHIM for EU countries, OAPI for African countries, ARIPO for African countries. Some comparisons of the systems are introduced in chapter V.

(2) Geographical Indications

Geographical indications (GIs) are being recognized as useful IPRs, especially, for developing economies. WIPO describes a GI and an appellation of origin (AO) as follows:

³⁹ A mark that is similar to the national flag, the national emblem, a trademark whose meaning and details are perceived by users as being liable to contravene public order or morality, and so forth.

⁴⁰ WIPO, <http://www.wipo.int/madrid/en/general/>.

A geographical indication (GI) is a sign used on goods that have a specific geographical origin and possess qualities, reputation or characteristics that are essentially attributable to that origin. Most commonly, a geographical indication includes the name of the place of origin of the goods.

An appellation of origin (AO) is a special kind of GI. It generally consists of a geographical name or a traditional designation used on products which have a specific quality or characteristics that are essentially due to the geographical environment in which they are produced.⁴¹

Thus, such GIs can be a useful tool for a regional product and its brand, because they have potential to localize economic control, promote rural socio-economic development by indicating certain place and certain characteristic thereof. Particularly, to build and maintain the reputation of the regional products; usually, a GI registration requires specific quality conditions, geographical correlations in production, processing or preparation for manufacturing and other characteristics which are essential to the geographical environments.

GIs are protected in accordance with international treaties and national laws under a wide range of concepts, and WIPO listed legal implementation options including: 1) special laws for the protection of GIs or AO; 2) trademark laws in the form of collective marks or certification marks; 3) laws against unfair competition; 4) consumer protection laws; or 5) specific laws or decrees that recognize individual GIs.⁴² Among other things, the Lisbon System was established to facilitate international protection of AO; however, currently, the system has only 27 contracting parties.

<Table 9> Comparing GIs and Certification Marks⁴³

| | Geographical Indications | Certification Marks |
|------------------|---|--|
| Objective | Protection of indication linking a good's origin and the quality or reputation on account of this origin. | Protection of the certification and/or guarantee of a good's particular characteristic which may – though not necessarily – include geographical origin. |
| Ownership | Mainly a public/collective right, most often the indication is owned by the state or parastatal institution. Basically, anyone meeting the good's | Mainly a private right owned by the trade association or producer group, at times even by the government. Parties interested in using the mark must seek |

⁴¹ WIPO, About Geographical Indications, http://www.wipo.int/geo_indications/en/about.html

⁴² Id.

⁴³ Dwijen Rangnekar, "Indications of geographical origin in Asia", Intellectual Property and Sustainable Development, P.280.

| | | |
|----------------------------|--|--|
| | specifications can use the indication. | a license from the owner. |
| Scope of protection | Often, prescribed lists of unauthorized actions exist; certain product categories enjoy stronger protection; no automatic collateral protection against use of protected indication on other products. | Use only permitted to licensees; collateral protection against use of mark on other products exists. |
| Enforcement | Enforced through a mix of public and private actions. | Enforced by private actions by the trade association has owns the mark. |

III. Branding in SMEs

1. Definition of an SME

There are various definitions of an SME in terms of number of employees, annual revenue, total net assets, investment level, and economies the firms belong to. However, commonly, its basis is employment, and the size of such employment is "NOT large." In fact, about 70-80 percent of SMEs consists of fewer than 5 employees, and only about 1-4 percent has more than 100 employees.⁴⁴

<Table 10> SMEs Classification based on employees in Some Asian Developing Economies⁴⁵

| Member Economy | MIE* | SE | ME |
|--------------------------|------|-------|---------|
| Brunei Darussalam | ≤ 5 | 6-50 | 51-100 |
| Indonesia | ≤ 4 | 5-19 | 20-99 |
| Philippines | ≤ 9 | 10-99 | 100-199 |
| Vietnam | <10 | 10-49 | 50-299 |
| Cambodia | <11 | 11-50 | 51-100 |
| Bangladesh | ≤10 | 10-49 | 50-99 |

* MIE: microenterprise, SE: small enterprise, ME: medium enterprise

2. Role of SMEs in Economic Development

SMEs in developing economies play a crucial role for regional economic growth and they are widely recognized as powerful engines of innovation and productivity. Nieman says "it is

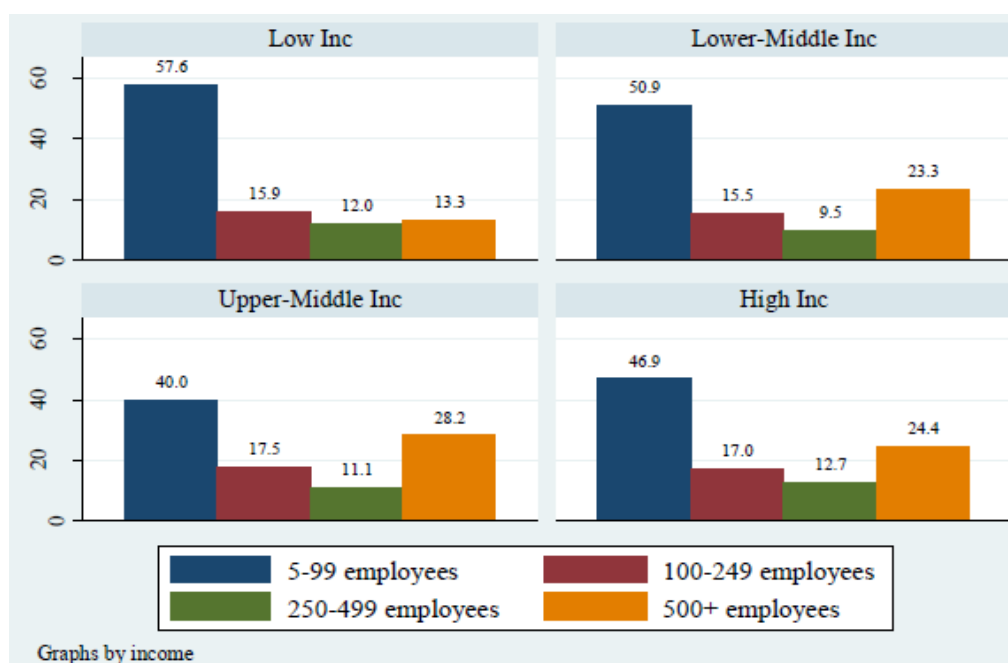
⁴⁴ Tulus Tahi Hamonangan Tambunan (2009), SMEs in Asian Developing countries, P.4.

⁴⁵ Id. P.5.

internationally acted and acknowledged that the small medium and micro enterprise sector is an essential factor in promoting and achieving economic growth and development and the widespread creation of wealthier and employment."⁴⁶ In particular, "SMEs represent 99% of estimated 23 million enterprises in the EU and provide around 75 million jobs representing two-thirds of all employment."⁴⁷

More importantly, SMEs in developing economies are directly related to the indicators such as employment rates, income distribution, poverty reduction, life sustaining, and regional micro economies⁴⁸.

A study of World Bank shows contribution to economic growth by researching employment shares targeting 47,745 firms in 99 countries, as follows:



<Figure 3> Employment Shares by Size Class (Medians)⁴⁹

<Figure 3> shows the contribution to employment by size class for median countries. Firms less than 100 people have the largest employment shares, ranging from 40% in upper-middle income countries to 57.6% in low income countries.⁵⁰

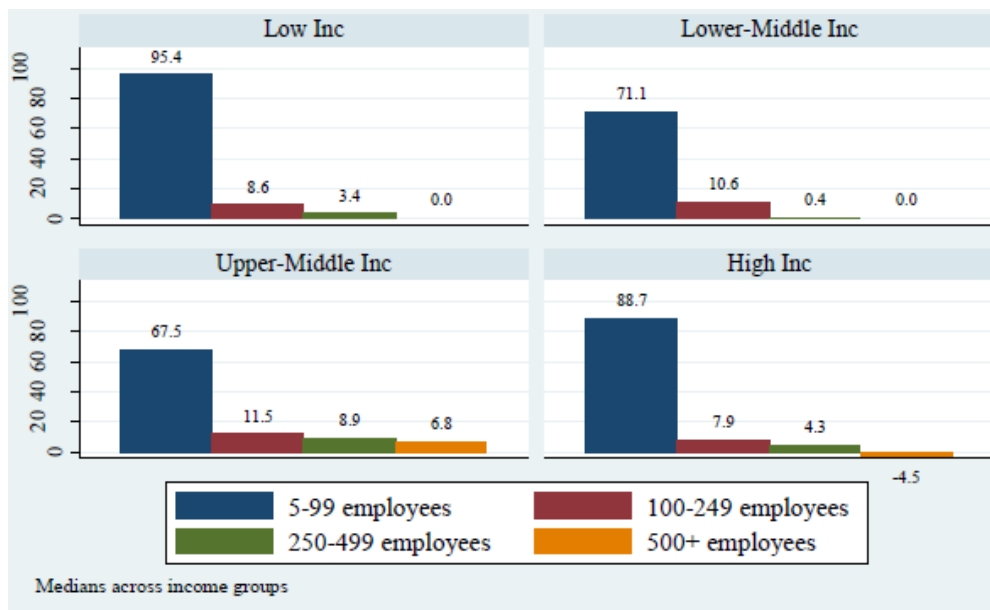
⁴⁶ Nieman G. 2001, Training entrepreneurs and small business enterprises in South Africa: a situational analysis, P. 445.

⁴⁷ International Finance Corporation, Micro, Small, and Medium Enterprises: A Collection of Published Data (17 May 2005)

⁴⁸ Tambunan (2009), P.1.

⁴⁹ Megbana Ayyagari, Small vs. Young Firms across the World - Contribution to Employment, Job Creation, and Growth, P.30

⁵⁰ Id. P.12



**<Figure 4> Job Creation Shares across countries by Size
Countries with net job creation (81 countries))⁵¹**

Also, <Figure 4> shows the job creation share for firms with less than 100 employees ranging from 67.5 percent in upper-middle income countries to 95.4 percent in low income countries. In other words, it can be said that SMEs are the biggest contributors to employment across the world.

3. Brand and Brand management in SMEs and its Barriers

(1) Brand and Brand management in SMEs

There are different opinions about brands in SMEs. Riebe, Riebe, quoted in Jarvis, says that smaller brands' consumers are split because they know and purchase both smaller brands and bigger brands, whereas big brands' consumers are not aware of the smaller brands and they do not purchase the smaller ones. On the contrary, Jarvis and Goodman say although smaller brands have small market share, they may establish niche market which consumers show high loyalty.⁵² In terms of brand management, in addition, Krake finds that the owner plays an important role to determine the structure of the organization and degree of attention which it can give to brand management because influence by an entrepreneur is greater and more direct in SMEs. Also, an

⁵¹ Id. P31

⁵² Jarvis, W and Goodman, S. 2005, Effective Marketing of Small Brands-Niche Positions, Attribute Loyalty and Small Brands, P293.

organizational structure has more influence on the role of brand management in SMEs than it does in large companies.⁵³

Despite the different opinions regarding brands in SMEs and specific nature of brand management in SMEs, SMEs have an important role in employment and economic development across the world as shown in the previous section and branding cannot be overlooked for their business extension. However, there are some difficulties which SMEs often face in protecting and utilizing their brands.

(2) Barriers for brand management in SMEs⁵⁴

1) A lack of awareness

Many CEOs from small sized companies often overlook the importance of searching and protecting the brands. Generally, the SMEs have not recognized the significance of appropriate branding action with a trademark (or other forms) application and registration until they meet the actual difficulties. When the companies face infringement action from a third party, the costs are tremendous so it is almost impossible or difficult to cover it.

A lack of awareness of appropriate IP actions and branding can occur in micro-sized firms in remote region or firms in least developed countries (LDCs). Often, farmers or producers in remote region or in LDCs have insufficient knowledge of IP rights. Without IP education to support, in this case, it is extremely difficult to enable them to access to intellectual property services.

2) Insufficient Costs

When a business starts-up, most of people initially concentrates on hardware components such as buildings, machineries, employment, productivity, and so forth. By allocating their budgets those factors initially, branding and IP protection is an optional or secondary one for SME management. Even though CEOs in the companies well recognize the importance of branding and its protection, they might be reluctant to obtain the rights due to insufficient costs. Not only gaining the rights of a trademark but also potential fees for utilization can be involved for branding management which is a burden for small size or individual entities.

⁵³ Krake 2005, Successful brand management in SMEs: a new theory and practical hints.

⁵⁴ This section mainly refers to 'Review of Intellectual Property and Growth: Call for Evidence SME Access to Intellectual Property Services' written by Mark Hiddleston.

3) Human Resources

Even though SMEs register trademarks and gain the rights, it is difficult to manage it with appropriate human resources who can observe trademark performance and status. Considering time and cost effectiveness, many CEOs fail to deal with branding management and filing a trademark application because of a lack of human resources.

In fact, research conducted by Krake finds many SMEs do pay no or little attention to brand management. Generally, the owners or directors take responsibility for brand management, they either seldom have the time for it or are not aware of brand management, and there are no employees available to engage in brand management.⁵⁵

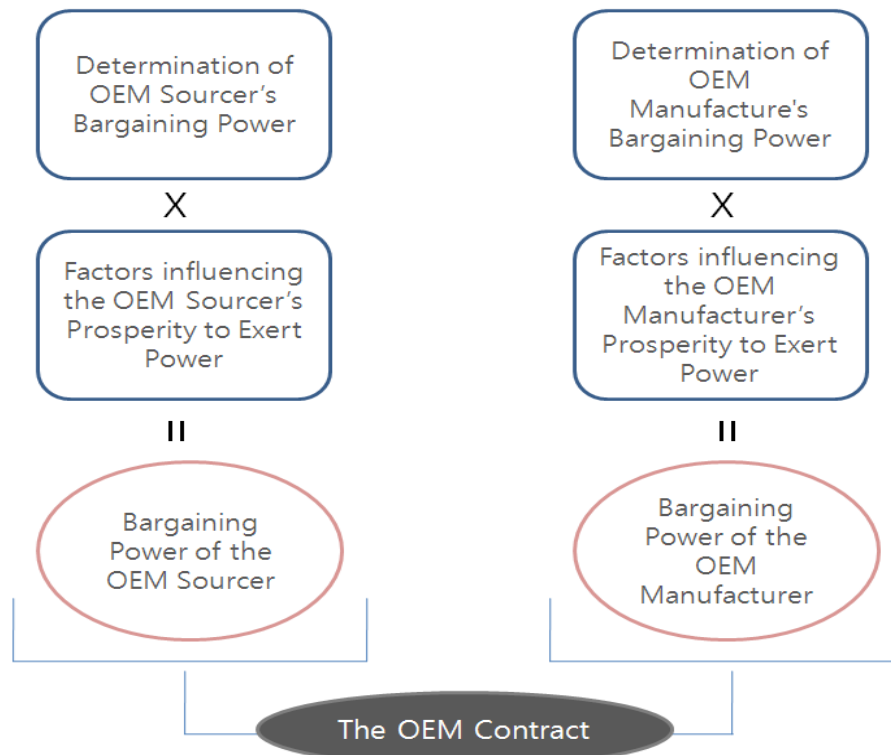
(3) OEM (original equipment manufacturer) and Branding in SMEs

SMEs have some difficulties with having and utilizing a brand as shown above; thus, many SMEs focus on Business-to-Business relationship rather Business-to-Customer by making an OEM contract which manages the relationship between companies that supply equipment with another company to resell or incorporate it into their product using their own brand name. Actually, this OEM structure is easily seen in the North-South trade relationship when they exchange the commodities. Mostly, developing economies are manufacturers producing commodities based on developed economies' demands and orders.

1) Advantages and Disadvantages of OEM

Many decades ago, many businessmen believed the OEM system had advantages as following. With OEM manufacturers' perspectives, marketing and sales costs can be reduced and manufacturing skills or technology can be enhanced continually. Many scholars believed that sourcing companies could quickly respond customer demands and change the market condition by capturing market trends. Thus, the OEM had been considered as business opportunities to maximize the effectiveness for both quality control and technical development simultaneously. In other words, under OEM structure, each company is able to focus its main areas on devoting the fields respectively: 1) product functional and technical part, and 2) marketing and distribution channel.

⁵⁵ Krake 2005, Successful brand management in SMES: a new theory and practical hints



<Figure 5> Model of Bargaining Power in the OEM Contract⁵⁶

As <Figure 5> indicates an OEM contract is fairly conducted when bargaining power is balanced by respecting both sides OEM manufacturers and its contractors. However, controversial factors and critics have come up since the relations of OEM contract have been imbalanced and finally broken caused by uneven value structure. Today, generally, the OEM relations are not recognized as a win-win business model. The bargaining power is often inclined towards OEM contractors in obvious ways. Accordingly, the OEM manufacturing companies are not treated reasonable ways as a distributor threatens OEM suppliers. Despite the partnership contract, the pressure of price reduction from sourcing companies is prevailing. In other words, manufacturing companies become highly dependent on sourcing companies and hardly participate into decision making process in the business. Even though manufacturers have superior technologies and abundant resources to produce, sourcing companies can obtain an advantageous position in an OEM engagement.⁵⁷

⁵⁶ Cho & Chu (1994) Determinants of Bargaining Power in OEM Negotiations, Industrial Marketing Management 23, P. .346.

⁵⁷ Rickert Jeffrey (2000) Common Problems & Collaborative Solutions: OEM-Supplier Relationships and the Wisconsin Manufacturing Partnership's Supplier Training Consortium, PP. 21-24

2) A Case Study on OEM and Branding (AURORA World)

During 1960s, Korea exported labor-intensive commodities such as textile or sewing products in which show a typical developing economies' industry structure. Until 1980s, the volume of export in textile and sewing products had gradually increased; however, the industry had met business difficulties due to high income rate and labor cost because of a rapid industrialization in Republic of Korea. During the periods, most of textile and sewing industries have adopted OEM strategies by licensing or contracting with the companies in developed economies. Needless to say, the sewing-OEM companies met financial difficulties and economic turmoil owing to price pressure from sourcing companies.



<Figure 6>

Aurora Logo

To overcome these business difficulties, 'AURORA World', a rag doll maker, determines to reset their business strategy from OEM to building their own brand. Thereafter, Aurora strategically and periodically approaches to practice new business model. At the beginning, new business practices are not easy because some foreign buyers suspend their business transaction when they recognized the new business model which is threatening their business and it is related to business trust issues. However, AURORA World has gained the reputation in the US market via 1) developing their own brands, 2) set-up marketing & design strategies, 3) investment to R&D activities, and 4) widening human resource networking. Today, this company exports its goods to more than seventy countries with its own brand name, and its sales have increased by three times for about ten years.

IV. Best practices

1. Region-based Brands

(1) Cavite (Philippine)⁵⁸



<Figure 7> Cavite Logo

Cavite Province is located on east Laguna and lies along the southern shore of Manila Bay. Its predominant industry is agriculture including coffee, fruits. It is one of the fastest growing provinces in the country.

The Cavite brand was launched in February 2009 to distinguish food and other products made from the province of Cavite. It has many finest products under its umbrella such as Café Amadeo, Kapeng Bailen, Muscovado De Magallanes, Tablea de Alfonso, Delfa's Good Products, Kawayng Maragondon, Sweet Style, etc.

⁵⁸ Raralio E N (2010), Cavite Brands, APEC One Village One Brand Seminar, June 2010.

1) Café Amadeo & Pahimis Coffee Festival ⁵⁹



<Figure 8> Cafe Amadeo Products

Amadeo is the biggest coffee growing municipality in Cavite. Café Amadeo Development Cooperative was established in 2002 in attempt to revive the coffee industry of the town, and to keep its mission of continually supplying the best grade coffee beans. It has started from 20 original founding members composed

mostly of coffee millers, traders, producers and farmers engaged in selling premium green coffee beans. It involves the massive processing, promoting, distributing, repacking, and marketing of especially blended brewed coffee from the domestic and export market, and 64 active famers have joined by 2009. Particularly, it has got greater reputation upon joining the “PAHIMIS Coffee Festival”. In addition, the cooperative provides Nestle Philippines, Unieral Robina Corp and other market outlets with its coffee beans. As a result, the gross sales have increased from USD 1,700 in 2002 to USD 63,000 in 2009.

Pahimis Festival is held at the town plaza in Amadeo, Cavite. There are special programs such as coffee tree planting, seminars on coffee quality refresher course, coffee farm tours, thanksgiving mass and a variety show. As a result, Amadeo coffee has gained a good reputation as a famous part of tourism section via this festival.

2) Don Roberto's Wine⁶⁰

Philippines are one of the finest mango producing countries in the world. Also, a secret fruit wine recipe from Belgium was handed down through generations to the Filipino nuns using local fruits, such as strawberries, cherries and guavas. This secret fruit wine recipe became the base of a new discovery in wine fermentation.



<Figure 9> Don Roberto's wine

Mangoes both the unripe green and ripe sweet yellow are the main ingredients in wine fermentation experiments which had been conducted for over a year of thorough research and study. These wines are made and fermented from a special blend of the finest coffee beans and mangos of Cavite. Finally, in 2001, the green and yellow mango wines were launched.

⁵⁹ Café Amadeo Development Cooperative and APEC One Village One Brand Seminar material

⁶⁰ Raralio E N (2010), Cavite Brands, APEC One Village One Brand Seminar, June 2010



<Figure 10> Don Roberto's Business Process

Brands are perfectly associated with product quality, from the choice of raw materials to processing and unique packaging. Among other things, the unique label and packaging of the MANGO WINE was awarded with a Trophy & Certificate of Merit for Packaging Excellence known as the PHILSTAR AWARD by the Packaging Institute of the Philippines in 2002. In addition, First Prize-Gold Award was awarded in the prestigious FINAT International Label Competition 2003 which was held in Vienna, Austria. Based on the attractive collector's design, Don Roberto's wine is priced three times higher than other imported wine in the market.

(2) Yubari Melon (Japan)⁶¹



The town of Yubari, center of Hokkaido, began as a coal mining town and was shrinking their economies right after the decrease of the coal mining industry. In order to carry out the Hokkaido development projects, the Japanese government established the Hokkaido Development Commission in 1869. With the development

<Figure 11> Yubari Melon Logo plan from Japanese government, Yubari Melon producers' association has been established and then strictly controlled their products and developed their brands. 'Yubari King,' unlike the mainstream blue-fleshed melons at the time, is a new kind of melon that has red flesh. Due to its softness and strong scent distinguished from the blue melons, the brand concept for 'Yubari' was 'a whole different level of taste and softness felt through the excellent scent' (high quality). In addition, Yubari Melon overcame its weak storability which made it harder to commercialize by using air transportation and established its image as fruits 'for gifts,' making such equation as 'Yubari Melon = high-quality melon for gifts, not simply for self-consumption.'

Yubari Melon was able to avoid the flood of similar brands by completing trademark registration (regional collective trademark: RCT) for 'Yubari Melon' in 1993. Prior to the registration, in order to prevent counterfeit products, Yubari Melon took strategies to differentiate its products from

⁶¹ Yubari Agricultural Cooperative Association.

others by attaching a self-certification mark on its melons. Since then, approximately 144 trademarks have been registered for melon brandy, processed food, beverages, and so forth.



<Figure 12> Yubari Melon in a Market

Moreover, producers' group system, which was implemented in 1976, has enhanced cultivation techniques, the consolidated organizational power has brought high-quality melons, and a thorough quality control requiring joint shipment has prevented deterioration of the melon quality. Especially, the National Federation of Agricultural Co-operative Associations (NFACA) gave permission to use 'Yubari Melon' brand only to those melons which passed its own quality test. In addition, NFACA requested for cultivation plans for melons and carried out strict distribution strategies by sending out 50% of the shipments to the wholesale market and the rest to department store, warehouse store, and farmers' market.

On the other hand, there have been promotions and advertisements for the Yubari brand via posters, TVs, subways, sponsors ('Yubari cups') and tasting events. Also, the NFACA actively has responded to consumers' complaints against poor-quality melons that had been sold.

As a result of such efforts, Yubari City, whose local economy was about to face collapse due to the pit closure, activated its agricultural economy through melon productions in the '80s, thereby, being able to revive as a tourist city. Success factors of Yubari Melon include the followings: setting up the brand concept through development of new variety; targeting an appropriate market; establishing systems with respect to production organization and quality management; implementing distinctive advertisement and PR strategies; and expanding the brand through R&D.

(3) Boryeong Mudrang (Republic of Korea)⁶²



<Figure 13> Mudrang Logo

In mid 1990s, the city of Boryeong developed an idea of mud cosmetics and further developed festival. At that time, KOREANA Cosmetics was receiving a good review from customers, but the entire raw materials (mud) were imported. Then mayor of the City found the facts and tried to use the Korean western sea mud as the ingredient

⁶² Boryeong Mud Festival, <http://www.mudfestival.or.kr/>

With the cooperation of Wonkwang University and Amore Pacific, the mud mask was developed and authorized by the Ministry of Health and Welfare in 1996. Moreover, several companies have joined producing mud soaps, powders, and other cosmetics. As a result of the R&D and promotion, the Boryeong mud cosmetics have received various certifications (ISO9001, JK-1800, S mark), complied with regulations (FDA regulation), registered "MUD RANG in Korean (Mud Rang)" as a trademark, and produced total 12 kinds of products including new items.



<Figure 14> Mudrang Products



<Figure 15> Boryeong Mud Festival

In an effort to promote mud cosmetics and to increase local tourism revenue, Boryeong City held the first Mud Festival in 1998. The city has tried to attract domestic tourist and international tourist as well, thereby, the proportion of non-local visitors constituted 98% of all tourists in 2005. Currently, the festival homepage also provides information in English, Chinese, and Japanese.

Particularly, 2.17 million people visited and enjoyed the festival in 2010. As the sales have increased for the promotion and sales in the festival, mud cosmetics business has expanded. The festival has been selected as the representative Korean festival (by Ministry of Culture, Sports and Tourism) which represents 1,200 festivals all over the nation in 2008 and 2009. Moreover, the festival ranked the best among the regional cultural festivals in the nation with the estimates of its economic impacts exceeding KRW 300,000 million per year.

However, as the growth in mud cosmetics sales slowed down, Boryeong City launched "Boryeong Mud Globalization Committee" consisting of city officials, members of the city council, skin care and cosmetology professors, Korean Food and Drugs Administration (KFDA) officials, and experts in the cosmetics and beauty industry in July 2005, and sought their advices on globalization of Boryeong Mud (subsequently, adopted 'Technical Advisor System' and held 'Boryeong Mud Globalization Seminar'). Also, to overcome a time limit of one week set for the mud festival, the city built the Mud Experiencing Site enabling people look and feel the advantages of mud and cosmetics thereof.

Also, the city of Boryeong registered 10 marks (6 trademarks, 3 service marks, and 1 business emblem) that are related to the Boryeong Mud Festival for the purpose of protecting local products. In recognition of such efforts, Boryeong City received a number of awards for its local

products and festival. The Mud cosmetics won the grand prize for the Best Korean Local Products, and the sales have increased by about 6 times from 1998 to 2005.

The success factors in branding the local products and the festival are as follows: 1) creation of a synergy by linking the local product (mud) to the festival, 2) use of networks between universities and enterprises, 3) continuous innovation and efforts to achieve globalization and to improve the quality of Boryeong Mud, 4) active development of strategies to protect IPRs, for instance, by registering the trademark 'MUD RANG in Korean' and a number of other trademarks, service marks, and marks (about 10 registrations), and 5) establishment of diverse experiencing sites that enable various experiences throughout the year.

2. SMEs-based Brands

(1) Dreamix (Republic of Korea)⁶³



<Figure 16> Naming Change to Dreamix

Despite its fairly large market share, amounting to 75% in the domestic hand blender industry, Buwon Electronics Co., Ltd. (Buwon) could not achieve a satisfactory outcome in Chinese market with its Chinese translation of its original Korean brand

name. Then, they started to develop a brand targeting the Chinese market and acquired legal rights to the brand which reflects local language and culture of China.

With respect to the brand development, 'Tokebi' expressed its function and value as a hand blender and mixer with the concept "Blend your dream" (*Brand Concept*) and increased the brand awareness by adopting the expressions, 'DreaMix (Mix your dream)' and 'helper in Chinese' (*Brand Naming*), which contain the image of helping full-time homemakers. With respect to the design, the brand employed storytelling, and thereby added symbolic factors, such as dream, trees, and stars (*Brand Designing*). Consequently, Buwon registered Tokebi as a trademark in 2009 in China, and its home appliance business successfully entered into the Chinese market.

Sales of Tokebi have tripled within the last two years.⁶⁴ Compared to initial entry into the China market with the brand, it simply adapted to local language and considered a certain nuance associated with the brand. The output triggered sharp increase in positive responses in China.

⁶³ <https://www.tokebi.com>

⁶⁴ Interview with a staff in the company in 2010.

With such improving brand awareness, the distribution channel started to expand. The company has been receiving much attention for its home shopping sales that was originally limited within Shanghai and Beijing and enlarged its sales channels to offline stores. Especially, it brought a change in perception among SMEs, and they found the importance of developing a customized brand which is appropriate for the local language and culture.

(2) HongSsangRi Blue Apricots (Republic of Korea)⁶⁵



From 1965, Ms. Hong started cultivating the blue apricots which were considered useless fruits for value-added business. Particularly, she has exerted every effort into developing an R&D process to understand the fruits effects. She finally set the apricot business via product development and market expansion since 1994 with value added process for the fruits. Business process has been developed as follows: apricot cultivating → apricot-utilized products (teas, chocolate, liquids, candies, sauce) → Apricot Festival in the region → famous regions for tourism. Throughout

<Figure 17> HongSsangRi apricot-utilized products, the business attempts to expand its market not only for domestic but also international such as the USA. Cultivating fields, factories, and shops are managed by Apricot Association. In addition, the company keeps up its study by establishing apricot institutes for R&D.

To protect its brands and products, the company registered intellectual property rights of a trademark (HongSsangRi Blue apricot), patents (chocolate, ice creams, sauces, etc.) and utility models (apricot-used pillows, chocolates). In addition to the IP protection, there are other several successful factors. Firstly, by using the name of President (Farmers), HongSsangri, customers' trust level became high comparing other brands; as a result, her name can be a representative of blue apricot's expert. In

addition, there are various products targeting from the young to the old. Furthermore, Ms. Hong utilizes various marketing channels such as Internet, home-shopping, supermarket (easy access to customers); particularly, she served the apricot snacks and products for visitors and tourists in her (fields) house or festivals.



<Figure 18> Hongssangli Products

⁶⁵ Hong Ssangri Maeasil, <http://www.maesil.co.kr/>

3. An Organization-supportive Brand

(1) Light Years IP: Ethiopian Fine Coffee⁶⁶



<Figure 19> Logos of Ethiopian Fine Coffee

Light Years IP uses intellectual property tools in export strategies as saying “the management of IP assets can no longer be considered a discretionary function, nor is it solely the domain of the legal department. It must be treated as a core component of business strategy.”⁶⁷ They focus on “the intangible value of products and controlling and managing that value through IP strategies that can result in long-lasting income gains.”⁶⁸

Ethiopian fine coffees have good reputation as the best-tasting coffees in the world. Despite the strong reputation, there had been huge gap between retail prices and producers’ income. The report says that the producers were compensated around 5-10% of the retail prices – farmers: \$1 per kilo, wholesalers: \$6 – 11 per kilo, retailers: \$20-28 per kilo. To reduce these gaps between retail price and the producers’ income, in 2004, the Ethiopian government and Light Years IP have attempted to use IP for empowering those producers. The three brands were registered as trademarks in 30 countries and distributors were required to obtain licenses to sell them. Ethiopia can control the foreign distribution through licensing its distributors, and producers could obtain bargaining power in negotiation tables through brands established. Specifically, the Oromia Union of Coffee Cooperatives reported that Yirgacheffe farmers’ income doubled over 2006.⁶⁹

⁶⁶ www.lightyearip.net

⁶⁷ Light Years IP, *Distinctive values in African exports*, P.5.

⁶⁸ *Id.*, P.9

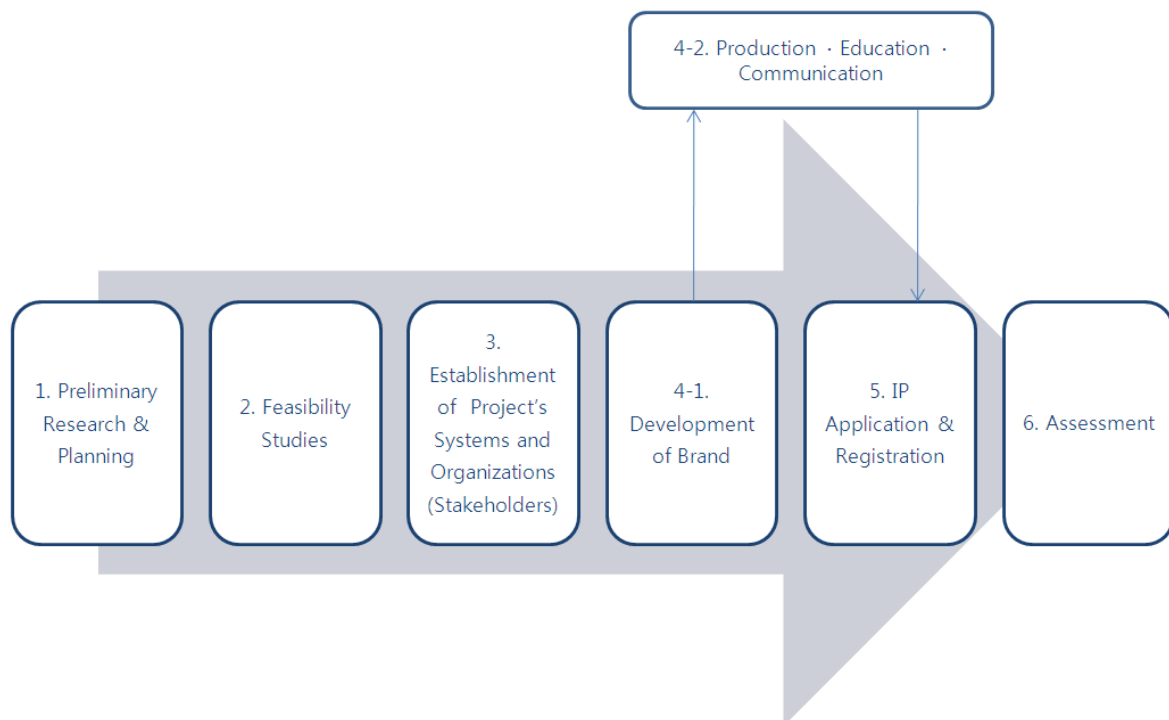
⁶⁹ Light Years IP, *Distinctive values in African exports*, P.26-27.

V. Guideline for Strategic Branding in Developing Economies

1. Guidelines for Strategic Branding in Developing Economies

(1) Outlines

A branding project in developing economies initiates upon the request from beneficiary economies and progresses through the following 6 stages: preliminary research, a project feasibility study, establishment of a task force team and implementation system, brand development, and acquisition of rights and evaluation (<Figure 20>)



<Figure 20> Branding Stages

In stages 1 to 2, considering that a branding project is carried out in the developing economies or the least developed economies, preliminary research and project feasibility study shall be conducted from the perspective of economic support as well as that of branding. With respect to the request from beneficiary economies, domestic officials including regional experts shall take the initiative in conducting project feasibility study, and thereby determining whether to proceed with the project.

In stage 3⁷⁰, local government, experts, and members in the local community shall lead the project in forming a task force team and implementation system, creating liaison among the members through role assignments, managing production and commercialization of the products, and managing brand development, communication and education (if necessary, experts from donor economies also take part in this stage).

In stages 4 to 5, experts from donor economies, through communication with beneficiary economies, shall play a leading role in building Brand Identity of local products, developing brands, and acquiring rights in a way of trademark registration, etc. Also, such activities shall be accompanied by production, education, communication, promotion of the developed brands, sharing of the result of the branding, and follow-up management (consulting) of brands.

In stage 6, a field survey and an evaluation by the beneficiary shall be conducted simultaneously for current and future projects. And, the results of the evaluation shall be referred as a basis to support such cooperation.

(2) Branding Guideline for Each Stage

1) Stage 1: Preliminary Research

Preliminary research is a stage for understanding target economies and collecting broad information thereof as well as general data for product selection, such as country briefs, various economic indicators, target local products, and basic information about legal infrastructures for acquiring rights.

For country briefs and information on various macro-economic indicators, references are found in international organizations; for example, country report of the World Bank and the Asian Development Bank (ADB). Such organizations provide relatively detailed indicators for macro economy and development. In addition, when cultural and/or geographical information of a certain region is necessarily required, resident officials of the government, NGOs, local government or regional experts may give consultation.

Also, the researchers may obtain information on local products and domestic legal infrastructure from the project request form submitted by the beneficiary economies. As the selection of products is the most important step in the whole project, the product information should be collected and examined at each stage (*see Annex for the first and the second project request*

⁷⁰ Beneficiary economies need to be trained to enhance their competence to effectively utilize the brand developed from this stage to the stage after requiring rights.

forms). Preliminary research stage (stage 1) shall include examination on the products which the beneficiary economies want to brand and the reason, location for the project, and broad IP laws and regulations.

2) Stage 2: Project Feasibility Study

This stage shall cover execution of feasibility study for the products that have been primarily filtered during preliminary research. It mainly covers determination on whether to implement the project and consideration on whether there are any effective means and method for the project. In this stage, field research shall be conducted with examination on the project request form and literature research. In addition, since the second project request form would include more details such as demand forecast, the number and competence of human resources available for this project, and funding scheme, such information shall be considered.

The guideline for feasibility study on this project refers to the guideline for EDCF (Economic Development Cooperation Fund) project feasibility study of the Korean Eximbank, evaluation criteria of the Organization for OECD DAC (Development Assistance Committee) and APEC. Then it was drafted to reflect the unique characteristics of branding support project after reviewing project feasibility studies provided by the KOICA (Korea International Cooperation Agency), the World Bank, and the ADB (Asian Development Bank). Particularly, the criteria contain relevance, effectiveness, efficiency, sustainability, and impact. Moreover, additional requests, if any, from beneficiary economies will be reviewed.

A. Current Situation of Beneficiary Economies and Project Feasibility Study

① Demand Forecasting

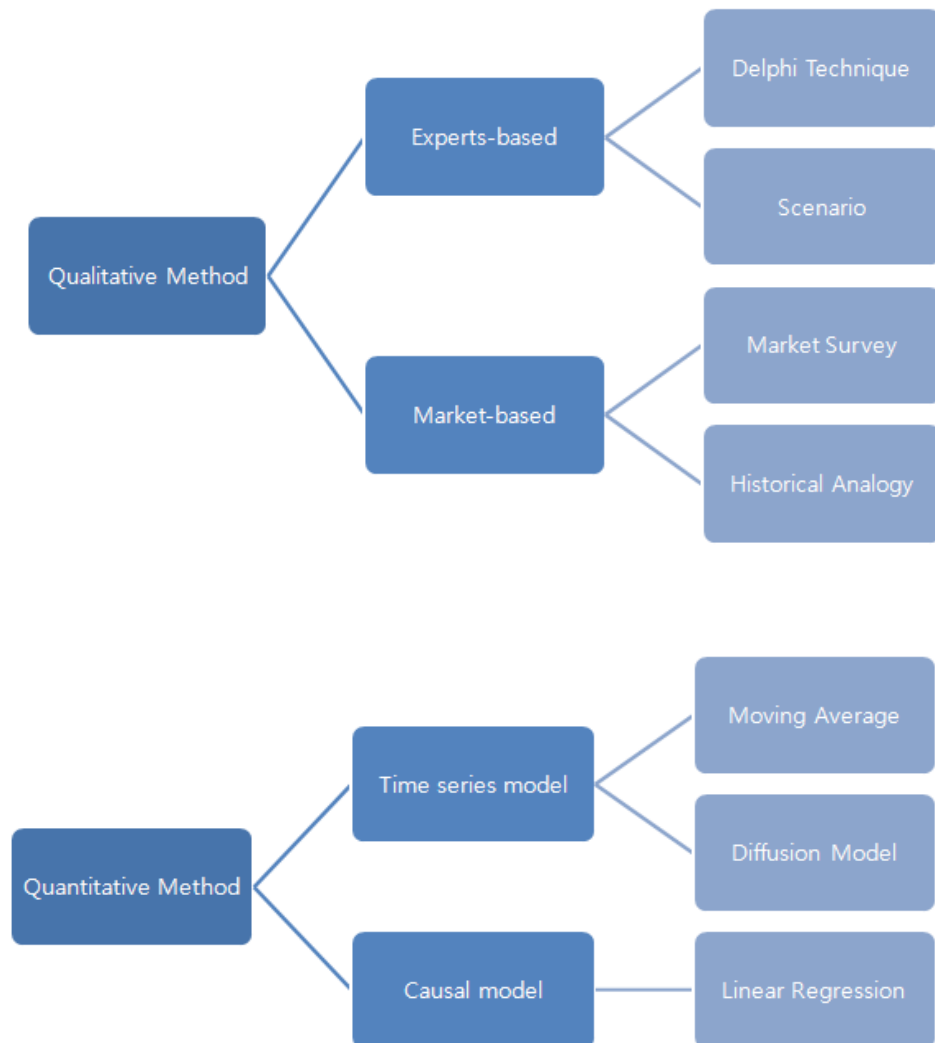
The demand forecasting is the most basic yet most important procedure in project feasibility study. A brand that has already been developed but has no actual demand will result in waste of resources, neither increasing sales for the local producers nor contributing to the vitalization of the local economy.

Potential demands for local products shall be estimated through field research and quantitative analysis. Above all, characteristics of the products and related information (for example, culture and festivals) shall be collected based on an interview with local residents, potential customers, and experts. Then, consumers' preference and market trends shall be figured out.

The quantitative analysis estimates potential demands by examining the demand forecasting provided in the project request form from beneficiary economies or by utilizing available data (*see <Box 1> for the demand forecasting method*). As for the developing economies, it would not

be able to obtain necessary data for quantitative analysis easily, so they are likely to rely on qualitative analysis, such as market survey and historical analogy. Although quantitative analysis requires linear regression analysis considering various determinants of product demand, moving average method shall be used when such data is unavailable.

<Box 1> Methodology for Demand Forecasting



● Qualitative Method

① Delphi Technique

- Building consensus or estimate value by gathering the opinions of various experts.
- Use: appropriate to forecast demand for innovative products whose market have not been created yet.
- Advantages & disadvantages: able to reduce Bandwagon effect, cost and time consuming, but showing moderate accuracy.

② Scenario

- Forecasting by taking into account the risks arising from changes in economic and social environments.
- Use: appropriate to predict demand for products that face keen competition and are greatly influenced by environments.
- Advantages & disadvantages: able to minimize risks resulting from various environmental changes, but complicated and costly.

③ Market Survey

- Predicting market through a survey.
- Use: appropriate to forecast demand for products that have high price sensitivity.
- Advantages & disadvantages: proper for medium and long-term forecast, providing comparatively accurate results, but cost and time consuming.

④ Historical Analogy

- Predicting demand for new products based on the data of the similar products.
- Use: appropriate to predict demand for new products that have few sales data.
- Advantages & disadvantages: less time-consuming than other methods, but providing reduced accuracy and inappropriate for short-term forecast.

● Quantitative Method

① Moving Average

- Predicting with average sales in the past (assumption: future data is similar to past data).

$$F_{t+1} = \frac{D_t + D_{t-1} + D_{t-2} + \dots + D_{t-N+1}}{N}$$

- Model

| | |
|-----------|--|
| D_t | actual demands in period t |
| N | total number of periods in the average |
| F_{t+1} | forecast in period t+1 |

- Use: appropriate to predict demand for existing products which maintain a stable sales volume.
- Advantages & disadvantages: less costly but possibly providing reduced accuracy because the coefficient is determined by trial and error.

② Diffusion Model (BAAS Model)

- Predicting with nonlinear regression of growth curve.
- Model

$$n(t) = \frac{dN(t)}{dt} = p[m - N(t)] + \frac{q}{m} N(t)[m - N(t)]$$

| | |
|--------|--|
| $n(t)$ | number of adopters at time t |
| $N(t)$ | cumulated number of adopters at time t |
| m | number of ultimate adopters |
| p | coefficient of innovation |
| q | coefficient of imitation |

- Use: appropriate to predict a diffusion process of new products or new services.
- Advantages & disadvantages: proper for a long-term forecast, showing strong explanatory power but difficult to provide an accurate prediction when the number of data is insufficient.

③ Maximum Likelihood Estimation

- Understanding relations by employing regression analysis of dependent and independent variables.
- Model

$$Y_c = a + bX$$

$$Z = \sum (Y - Y_c)^2 = \sum (Y - a - bX)^2$$

$$\left. \begin{aligned} \frac{\partial Z}{\partial a} &= 2 \cdot \sum (Y - a - bX)(-1) = 0 \\ \frac{\partial Z}{\partial b} &= 2 \cdot \sum (Y - a - bX)(-X) = 0 \end{aligned} \right\} \Rightarrow \begin{aligned} b &= \frac{\sum XY - N\bar{X} \cdot \bar{Y}}{\sum X^2 - N\bar{X}^2} \\ a &= \bar{Y} - b\bar{X} \end{aligned}$$

| | |
|-------|--|
| X | time value |
| Y_c | value measured through prediction equation |
| Y | measured value of X |
| Z | deviation |

- Use: appropriate to predict demand for products whose sale depends on various factors.
- Advantages & disadvantages: able to enhance explanatory power by deducting related factors but costly.

② Economic Impacts

As much as branding of the product is important, its impact within the region shall not be overlooked. The significance of the economic impact brought about by branding is reflected in the ultimate goal of this project, 'vitalizations of the regional economy through IPRs and branding.' Products branded can contribute to income growth at both individual and community or national level.

The regional economic impact can be estimated through field survey or quantitative analysis. For the estimation, basically inter-industry analysis⁷¹ shall be employed, but when data is not available, qualitative analysis shall be applied considering industrial linkages and industrial chains within and outside the region. For example, the effect of technology transfer shall be subject to qualitative analysis considering the possibility of creating new techniques through combination of the technology transferred from donors and own local techniques.

③ Ability and Strategies to Acquire Rights

Ability and strategies to acquire rights play an ecological role in accomplishing the branding project. Implementation of the project shall be accompanied with a certain level of legal and regulatory infrastructure because brands should be applied and/or registered in proper forms of IPRs to achieve desired levels of legal and economic effects. Even when such foundations are insufficient, donor economies can bear the expenses for establishing the system as long as they make an accurate judgment as to the current conditions.

Estimating capacities for legal protection, of course, requires national analysis on laws and regulations, body in charge and manpower of the beneficiary economies. Moreover, specific targets of the project (individuals, companies, unions or local governments) shall be figured out along with their actual rates of participation in the project and their abilities.

The strategies to acquire rights shall include analysis on products, registration requirements for each legal form, cost and time thereof, and subsequently, suitable or sufficient IPRs shall be determined. In addition, whether to file domestic or overseas applications and who would be the ultimate owner of the IPRs shall be dealt with.

④ Duration of the Project and Budget

Duration of the project and budget are crucial in terms of efficiency of the project implementation because improper measure of such elements shall lead to suspension or indefinite delay of the project, thereby resulting in waste of time and money. Therefore, an examination shall be required as to the appropriateness of the budget and role assignments among beneficiary and donor economies, and (joint) supporting organizations.

As for the duration of the branding project, approximately 9 ~ 10 months would be sufficient from preliminary research to brand development. The detailed prediction of the duration is as follows: 1 ~ 1.5 months for the preliminary research, 2 ~ 3 months for the project feasibility study, 1 month for establishment of a task force team and implementation system, 3 months for brand

⁷¹ Medium and long-term regional economic impacts of the branding project shall be produced using production inducement coefficients and value added inducement coefficients of the inter-industry analysis

development and/or 4 months for production(management), education, and communication. However, the aforementioned is the average duration and may be shortened or extended according to the conditions of the beneficiary economies. If the ability to acquire rights is not sufficient, extra 2 ~ 3 months shall be required to conduct preliminary education. Nevertheless, it is desirable that the entire duration of the project not exceed 12 months.

With respect to the budget, budgeting may vary depending on economic conditions of beneficiaries and the types of support (sole or joint) provided by donors. <Box 2> presents the current state of fund created for technical cooperation inside and outside Republic of Korea and shows that the amount borne by the interested parties in accordance with roles between recipients (producers' group or corporations) and joint partners (UN or UNDP). In view of the support program, donor economies are able to take responsibilities for the entire costs; however, a matching fund may be used to implement the project by considering the possibility of resulting in moral hazard and beneficiary economies' capability to bear the cost. If the beneficiaries are unable to secure financing, as an alternative, the donors could make investments to establish a fund which shall be repaid upon the generation of profits.⁷² It is recommended that these issues be addressed in MOU or other agreement in advance.

<Box 2> Method for Creating Fund⁷³

- Domestic Local Brand Project
 - [Support for producers' group] KIPO⁷⁴ : local government = 50 : 50
 - [Support for companies] company : KIPO : local government = 20 : 40 : 40
- Join Project with International Organization (in the field of technical cooperation)

⁷² The principle of this fund is that the money should come from donor economies (aid organizations) and the profits (excluding personnel expenses, etc.) earned later should revert back to the fund. The returned money can be reinvested in the form of loans to maintain the successful project or used to support other similar projects or for public utilities, such as, regional development and/or environmental project. Basically, the goal is to impose responsibility and to motivate beneficiary economies by helping them to recognize that if they take responsibility for the money which is beneficial to themselves and the profits thereof get bigger, the benefits they gain get bigger accordingly. In case of supporting more than two projects, creating and operating only one fund may be considered as one of the options; that is, when the beneficiaries are given the required funds, portions of the funds shall be repaid with the profits earned in the future, and when another project is launched, the money would be given from and revert back to the fund likewise. For example, in 5 to 10 years, those who have paid the funding back to this fund in the past may be financed again, or the fund may be utilized to support other similar projects (based on consultation with Professor Mi Kyung Yun at the Catholic University of Korea).

⁷³ It is written based on consultation with officials from the KIPO, the Regional Intellectual Property Center, KOICA and KIEP (Korea Institute for International Economic Policy). According to them, for brand support project, there are frequent occasions in which the amount of money borne among the donor economies is a ratio of 50 : 50 to prevent the initiatives from being biased.

⁷⁴ Korea Intellectual Property Office

- Depending on the characteristics of the project, the ratio of the cost borne by international organizations will vary from 0% to 70%, and recent trends show that IDA⁷⁵ funds are co-financed.
 - [KOICA Joint Project]
 - ✓ UNESCAP⁷⁶ hardly bears the cost but occasionally takes responsibility for personnel expenses of the organization itself
 - ✓ UNDP⁷⁷ and the World Bank, even in case of free grant aid, impose a certain amount of cost on beneficiary economies except the least-developed economies
- (ex) World Bank : donor country : beneficiary country = 50 : 30 : 20

⑤ Willingness to Promote the Project and Stability

In the recognition of the clear goal of the beneficiary governments, i.e., 'vitalizations of the regional economy through branding,' distinctive wills and interests, and preferences of the local communities are driving forces to implement the project. The more the project is favored by the government and the majority of the residents, the higher the possibility of monitoring and using as much resources as possible. The field survey should contain examination on whether the beneficiary economies have any governmental policy related to this project, whether they have specific plans to participate or have a role in the project, and whether coherence exists among the policies.

In addition, in implementing the project, political, economic, and social stability of beneficiary economies should be reviewed because even the most systematic implementation plan could be abandoned due to the occurrence of unexpected events, such as, a rebellion⁷⁸. Understanding such stability is especially important when it comes to less developed nations and countries with colonial experience.

⑥ Other Issues

Lastly, besides practical issues for the project implementation, potential benefits to donor economies resulting from the project could be considered at the feasibility study level including improving diplomatic relations, getting related to following projects, finding overseas market,

⁷⁵ International Development Association

⁷⁶ United Nations Economic and Social Commission for Asia and the Pacific

⁷⁷ United Nations Development Programme

⁷⁸ The actual reports on the project result from the Korea Eximbank and KOICA provide that there are many occasions in which due to the unexpected circumstances or inharmonious cooperation system with international organizations in the middle of an aiding project extra workers and cost are added or the project is delayed (The Korea Eximbank, 2007b).

even though they are neither noticeable nor expressed in practical numbers. This may also be employed as a ground to persuade people of donor economies regarding this kind of support.

As for some of the world's least-developed economies, although they would not gain much of the economic interests mentioned above, supports are often necessary for diplomatic relations between the two economies or in the spirit of humanitarianism.

B. Quantitative Analysis on Results of Project Feasibility Study

Once project feasibility study is completed, the results shall be subject to surveys targeting domestic and foreign policy makers (2 or 3 people) and feasibility study consultants (3 or 4 people).

In this process, Analytical Hierarchy Process ("AHP") is used(〈Box 3〉). AHP, developed by Saaty in 1980, is a technique for selecting optimum alternatives classifying various qualities into hierarchical orders and figuring out the numerical weights of each quality. This technique is appropriate for structural analysis on public policy which has hierarchies between its structures and goals.

〈Box 3〉 Principles and Procedures of AHP Technique

- AHP, one of decision-making techniques, was developed based on the fact that human mind follows the principles of hierarchical structuring, relative weighting and logical consistency.
- AHP technique proceeds by the following orders: conceptualizing, hierarchical structuring, weighting, consistency and measurement.
 - Conceptualizing: a process of drawing a conceptual framework with respect to the project subject to evaluations, such as purposes, evaluation criteria, alternatives, limits, decision makers and interested parties, etc.
 - Hierarchical structuring: a process of grouping similar problems and arranging them in different levels.
 - Weighting: deducted from pair wise comparisons* that represent relative importance or preference among the evaluation criteria
 - ✧ A process of assigning corresponding numerical ratings to decision makers' qualitative analysis, the 9-point scale is the standard rating system used for the AHP.
 - Consistency: a process of examining consistency of the survey, the degree of

consistency is measured by inconsistency ratio.

- ✧ Inconsistency ratio = 0 presents that the decision maker maintains complete consistency.
- ✧ inconsistency ratio > 0.2 requires another examination.
- Measurement: a process of assigning numerical values to preference or importance of each criterion. Computed by adding the evaluation results for each criterion which is multiplied by the weight of each criterion
(The alternative with the higher score is given the higher level of priority)
- Conceptualizing and hierarchical structuring of AHP are established by considering the characteristics or specialty of the project, such as effects of the implementation and national or regional characteristics (*see* <Figure 21>).

The results of project feasibility study can be conceptualized in a hierarchy according to the AHP as shown in <Figure 21>. (See <Table 11> for evaluation and grading standards for each criterion). This study sets its goals on policy analysis and is of two hierarchical structures: 4 in the first level of the hierarchy (balanced regional development, consistency in policy and a will to promote the project, risk factors in performing the project, project specialty evaluation criteria) and 8 in the second level of the hierarchy (regional economic impact, effects of technology transfer, coherence with higher and related plans, a will to promote the project and preference, possibility of funding, political-social-cultural stability, capability to acquire rights and compatibility of the strategies, diplomatic relations and potential economic cooperation).



<Figure 21> Hierarchical Structure for Project Feasibility Study Utilizing AHP

When the results of quantitative analysis show more than 85 point, performance of the project is deemed to be reasonable, and therefore, performing the project shall be confirmed as an alternative.

<Table 11> AHP Evaluation and Grading Standards for Each Criterion

| Classification | Evaluation Criteria | Details of Evaluation | Grading Standards |
|--|--|--|--|
| Balanced regional development | Regional economic impact | Regional economic impacts, such as, creating added value from performing the project | Added value created within the region/ gross regional domestic product (GRDP) |
| | Effect of technology transfer | Effects of technology transfer upon developing local products | Qualitative evaluation |
| Consistency in policy and will to promote the project | Coherence with higher and related plans | Whether to reflect the higher and related plans | Qualitative |
| | Will to promote the project and preference | A will to promote the project or ambitions of the central government, local government and the communities | Qualitative |
| Risk factors in performing the project | Possibility of funding | Feasibility of the plans for funding | Qualitative |
| | Political-social-cultural stability | Political-social-cultural stability in performing the project | Qualitative |
| project specialty evaluation criteria | Capability to acquire rights and compatibility of the strategies | Compatibility of IPR law-regulations and particular IPR strategies | Qualitative |
| | Diplomatic relations and potential economic cooperation | Possibility of long-term economic cooperation, such as success in the local market | Qualitative |

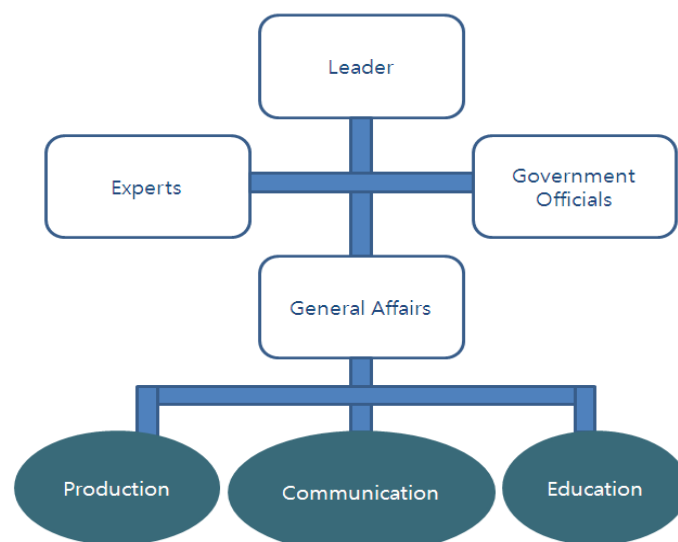
C. Establishment of Implementation Plan

If the branding project is determined to proceed as a result of feasibility study, the direction and plans to execute the project shall be established covering the basic direction of the project (prioritizing), project plan (dispatching experts, hosting education session and workshop, developing brands), fund portfolio, assignment of roles, schedule, and implementation plans for each step prior to the beginning of the project.

3) Stage 3: Establishment of the Task Force Team and Implementation System

Once the project implementation plan for the developing economies has shaped, an implementation system consisting of local government, government employees, experts, and civic groups of beneficiary economies shall be formed in order to manage the entire stages of the project. The interested parties from donor economies shall participate in this stage and support and co-manage the project.

In this stage, it is important to construct the efficient networks through clear division of the role among the stakeholders. The team is composed of a leader, government officials, experts, and managers at large and shall take responsibilities for production and/or manufacture of the product, brand development, communication and education. (<Figure 22>).



<Figure 22> Organizational Chart for Branding Promotional System

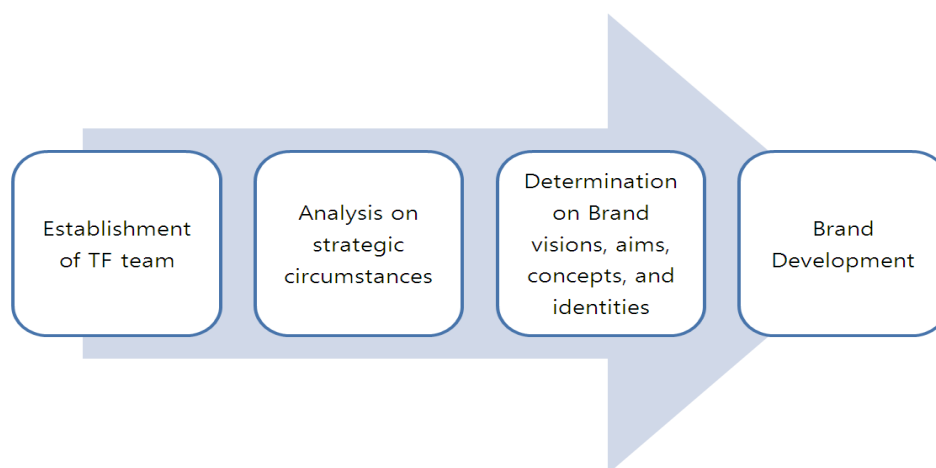
The leader shall handle all works related to the project and will play a key role for successful branding. If it is determined that there is no ideal leader in beneficiary economies, dispatching one from the donor economy or other partner economies could be an option. Of course, producers take charge in production and/or manufacture, sale, distribution, quality management,

R&D and shall take responsibilities for plans and management of the education with respect to the acquisition of rights which accounts for a great part of the branding project for the developing economies. And the local government shall supervise entire process of the project. Experts shall be in charge of professional education on brand development and acquisition of rights, as well as support for the same. Lastly, the general manager shall take charge of overall administration of the project.

Due to the gap between beneficiary and donor economies, the branding project for developing economies might have less efficient results than domestic regional branding projects. Accordingly, before the project starts, beneficiary economies shall have a keen understanding about the purpose and the contents of the project, and regional experts shall play much of role in providing an opportunity to enhance mutual understanding between the two economies. To be specific, the two economies shall designate respective contact points to exchange necessary information for each stage of the project, to prevent unexpected problems and to deal with them properly. Additionally, experts from donors need to make their best to acquire inter-cultural communication skills.

4) Stage 4-1: Brand Development

Developing brands proceeds through the following four stages from creating a branding TF team, conducting strategic market analysis, establishing brand identity, and actual developing brand (<Figure 23>).



<Figure 23> Brand Development Stage

A. Creation of a Branding TF Team

The first step of brand development is to define brand Positioning and brand Identity by taking into consideration regional conditions (assets) and characteristics of the product. In such process, planning brand strategies is usually entrusted with professional service agencies. However, apart from the technical parts, the stakeholders (company members, government employees, experts, etc.) within the region need to take part in the process of setting the vision and/or goal and identity of the brand, and discussing and sharing the value of the region and brand. Especially, as to branding for developing economies whose region and/or culture is not familiar and where communication with their people is challenging, it is efficient to form and utilize a branding TF team. Also, technical works, such as brand naming and design development may be preceded in a similar way to brand development performed by other companies.

B. Strategic Market Analysis

Prior to brand development, it is essential to conduct market analysis on the target products. Most of such data must be collected in the stages of preliminary research and project feasibility study, or additional data shall be collected for actual market analysis in this stage. To be specific, analysis should cover domestic and/or international market and related circumstances for the product, consumption behavior and preferences in the local consumers, and trends in the same industry. In this regard, interviews with consumers or local branding experts are required to draw implications for the branding direction.

C. Development of Brand Identity

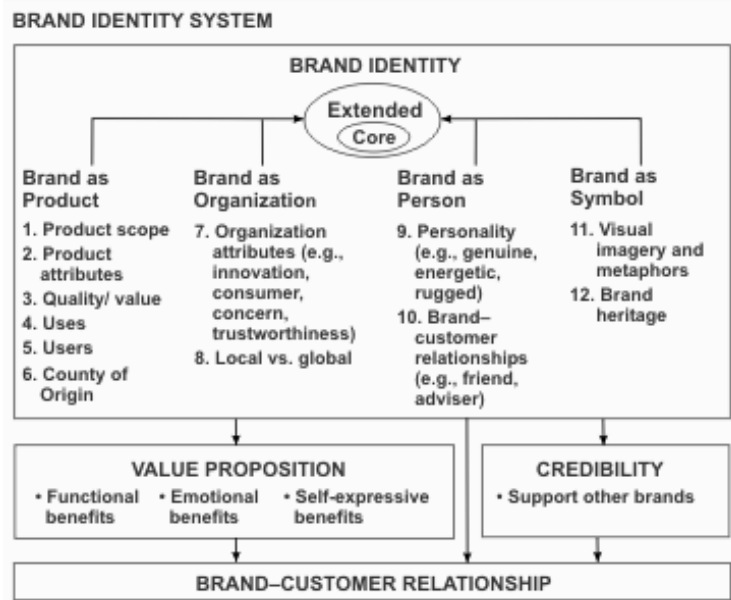
Brand identity is an image which a specific brand desires to engrave in the mind of its target customers. It shall be followed by setting up brand vision and/or goal reflecting regional characteristics and product values as well as brand concept distinguishable from other region and/or products (<Box 4>). In this process, as stated above, regional and brand values shall be shared among the members of a TF team, and regional assets including buildings and/or landscape, urban structure, festivals, and culture need to be reflected and thereby connected with the branding project.⁷⁹

⁷⁹ So Young Lee-Cheong Hoon Lee (2010) propose to utilize the territorial assets in establishing brand values and positioning as follows: (1) if a region has a place sufficiently branded, such place can be actively used in connection with Brand Identity; (2) if there is a place that has not been branded yet, whether the place can function as a landmark once certain factors preventing it from being branded are removed should be determined; (3) in the absence of any symbolic or particular territorial assets, the examination on the possibility of creating a new tradition and territorial assets using ideas and planning should be conducted, and the direction and brand positioning should be reconciled.

〈Box 4〉 Aaker's Brand Identity System⁸⁰

◆ According to Aaker, Brand Identity is divided into core identity and extended identity, and these elements are composed of 12 categories (4 perspectives).

* Core identity is the essence of a brand and gives meaning to the brand, while extended identity clarifies what the brand stands for and delivers the message to the consumers in a visible way.



* Asker emphasizes the need for an approach to Brand Identity from the structural perspective and for a narrow approach to a relationship between the brand and consumers to create a competitive brand image.

Brand concept is developed in the following order: selection of target market based on market analysis, analysis on internal and/or external brand profile, and creation of positioning. Above all, target customer groups shall be determined, and a concrete shape shall be given to the profile of the brand concept considering their desires, distinctiveness from competitive products, and sa portfolio of the original brand in the region. Lastly, the product positioning shall be defined by analyzing consumers, the position of the competitors, competitive products in the market. Once the brand concept is set up, brand identity is created so that it shall be adopted for products, services, impression about the members, a brand name, a logo, advertisements, and events.

D. Brand Development

After the brand identity is created, its meaning and values are actualized through elements of the brand, such as, a brand name, logo, symbol, slogan, and/or package.

⁸⁰ Aaker (1996), Building strong brands, P.79

<Box V-5> Meaning and Function of the Brand Components

- Brand Name - name of the brand, externalizes the characteristics of the brand
Example) Rolex (represents the best quality and users' status)
- Logo & Symbol - name of the company or brand, or used to visualize the characteristics of the company or brand
Example) Rocks in the Strait of Gibraltar used as a symbol of Prudential, an insurance company (images of strength, stability, and overcoming adversity)
- Slogan - a short phrase which explains Brand Identity
Example) 'The Power to Be Your Best' for Apple Computers advertising.
- Package - wrapping paper of the products, visualizes Brand Identity
Example) curved bottle package of Coca-Cola (associated with the fun and enjoyment that we feel while drinking a coke)

When establishing brand identity, it is essential that brand owners or the TF team of beneficiaries and brand developers of donors continue to communicate one another and reach an agreement based on the consideration of the following criteria: memorability, meaningfulness, transferability, adaptability, and protectability. The details of the process of brand development are set forth below.

① Brand Name Development Process

| Stage | Description |
|--|--|
| 1. Establishing strategies for a brand name | Bases on analysis of local market circumstances, consumers, competitive brands, and products. |
| 2. Studying the concept of the name | To set directions for the core concept and expressions in accordance with strategies for the name. |
| 3. Collecting keywords for the brand name | To collect and extend various keywords, and extract expression motifs. |
| 4. Developing brand name alternatives | To examine the scope of a trademark for the name and check possibility to register the name as a trademark. |
| 5. Checking whether the name is associated with any negative meaning in local language | With advisory experts and through local networks, to check preferences and negative images about the brand. This is important to those who have plans for export as well as for branding in other economies. |

② Brand Design Development

| Stage | Description |
|------------------------------|--|
| 1. Studying design concept | To derive design concept through needs analysis of <i>Brand TF</i> team. |
| 2. Collecting design motifs | To collect and extend various images according to the concept. |
| 3. Developing basic design | To develop basic system and to make prototype of the draft design. |
| 4. Developing applied design | To develop application design and to extend applications. |

5) Stage 4-2: Production Management, Education and Communication

Production management, communication and education are significant in continuing and increasing consumers' purchase of the target products through promotion and proper brand management. Moreover, in the perspective of reinforcing the capability of developing economies, enhancing the product value through R&D is as crucial as developing the brand.

A. Production Management

A brand power is a fruit of keeping promises to consumers, thus a thorough product management is necessary to build the brand power. Specifically, in addition to investing R&D, production manual and quality control system should be employed in order to increase market shares. For instance, Boryeong mud cosmetics is a result of continuous technical innovations, and *Yubari Melon* adopted producers' manual and a joint shipment requirement for the purpose of a thorough quality control.

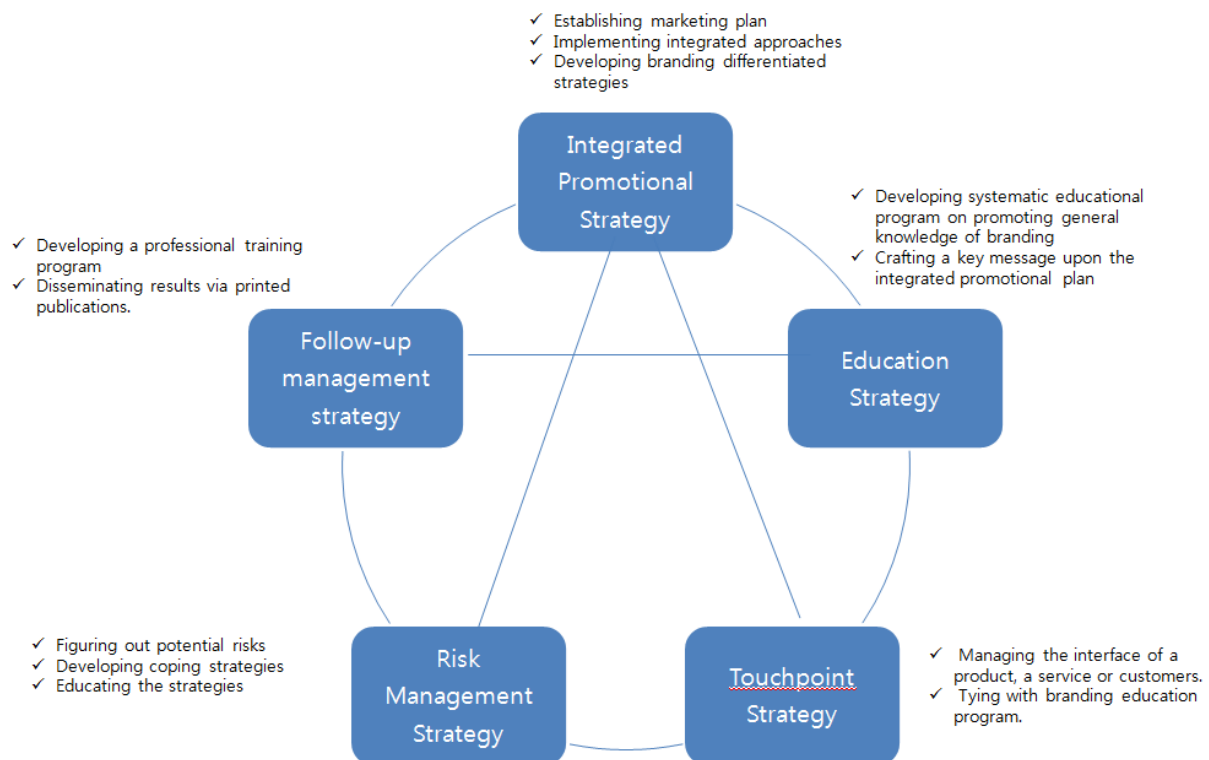
B. Education

Education is the core of the branding project in strengthening the capability of developing economies. The branding project shall include education on the following three fields in particular. The first is education on obtaining legal rights including adequate forms, and procedures for application and registration. When IPR experts are insufficient for this project, IPR experts shall be dispatched from donor economies. The second is branding strategies including communication, marketing, and follow-up management. Although this is not directly related to brand development, brand strategies would serve as foundations for actual and continuous utilization of the developed brand and creation of added value. More importantly, brand consulting, even though it is not at the professional level, is crucial for sustainable impact from the project. The third is education on benefits from conducting the branding project, by introducing best practices, sharing project outcomes so that the local communities are willing to participate into the branding project.

C. Communication

Communication is a sharing process of existence, distinctiveness and dominant position of a brand. It requires bi-directional interaction between producers and consumers; particularly, a local festival, besides distributing PR materials, can be one form of such communications. For example, Cavite hosts a Pahimis Coffee Festival, and the coffee has been known not only to multinational corporations, such as Nestle, but also to individual tourists. Also, the Boryeong Mud Festival has been created and designed to promote Mudrang cosmetics and the cosmetics business has been able to expand. Thus, the local producers and their association of developing economies need to employ various means for highly influential communication from traditional media PR and a consumer education program for their brands to emerging means of internet PR, or SNS (social networking sites). In fact, nowadays, marketing activities have been extended and varied in utilizing online sources such as blogs, Facebook, Twitter, Youtube, and so forth.

The following diagram shows the brand communication strategies, the communication requires the interplay among promotional plan, education plan, touchpoint plan, risk management plan, and follow-up management plan.



<Figure 24> A Brand Communication Strategy⁸¹

⁸¹ Based on a consultation from Meta Communications.

6) Stage 5: Acquisition of Rights

Product and brand development are followed by the procedures of obtaining rights as a means of protection. Acquisition of the rights is the last stage of the branding project and it is a basic indication whether the project will be successful. Since such rights enables to prevent counterfeit products or abuse of the products and to create wealth through licensing, etc., it needs to be examined and noted. Although there are various considerations depending on the types of IPRs in terms of obtaining legal rights, with respect to the necessity and time of application, the following should be considered: ① value of trademarks or geographical indications to be applied for registration and their business values within the region, ② expected duration to use the IPRs, and ③ in case of entering into overseas market, possibility of advancing into the target country and existence of competitive businesses therein.

With respect to the efficient application and/or registration of the IPRs, the following items should be reviewed: ① trademark laws or geographical indication protection laws of the region, ② possibility of trademark dispute by researching similar trademarks in the region, ③ system eligible for application and/or registration, ④ efficiency in terms of expenses for procedures of early acquisition and addition of the target country, and ⑤ in case of overseas application, selection of the country where the application would be filed and relevant factors (procedures and requirements for registration, prior registration, market, expense, law, periods, availability, etc.). Advantages and disadvantages of the overseas application for each route and system are briefly set forth in <Table 12> and <Table 13>.

<Table 12> Route for Overseas Trademark Application⁸²

| Region | Membership of the Treaty | | Method of Application |
|--|------------------------------------|--------------------------------|---|
| Asia, Oceania, North America, South America | Member of the Madrid Protocol (MP) | | - Individual country application - MP System |
| | Non-Member of the MP | | - Individual country application |
| Africa | Member of the OAPI* | | - Individual country application - OAPI System |
| | Member of the ARIPO* | Member of the MP ⁸³ | - Individual country application - ARIPO System - MP System |

⁸² Based on consultation with Patent Lawyer Su Youn Song, and information from research from WIPO, OAPI(Organisation Africaine de la Propriété Intellectuelle), ARIPO(African Regional Intellectual Property Organization), and OHIM(Office for Harmonization in the Internal Market)

⁸³ Lesotho, Swaziland

| | | | |
|---------------|-------------------------|---|--|
| | | Non-Member of the MP ⁸⁴ | - Individual country application - ARIPO System |
| | Non-Member of the ARIPO | Member of the MP ⁸⁵ | - Individual country application - MP System |
| | Etc. | - | - Individual country application |
| Europe | EU Countries | Benelux (The Benelux Office for Intellectual Property) (BOIP) | - Benelux application - Community Trade Mark (CTM) Application - MP System |
| | | Member of the MP | - Individual country application - CTM Application - MP System |
| | | Non-Member of the MP | - Individual country application - CTM Application |
| | Non-EU Countries | Member of the MP | - Individual country application - MP System |
| | | Non-Member of the MP | - Individual country application |

<Table 13> Comparison of Advantages and Disadvantages of Overseas Application System⁸⁶

| | Advantages | Disadvantages |
|--|---|--|
| Individual Country Application | - Individual dealing for each nation is possible - Reduced expense if filing in particular nations | - Requiring understanding on regulations of each nation from when the application is filed - Requiring filing an application in each nation within a short time (6 months) (priority right) - Burdensome expense and process in case of filing applications in multiple countries, |
| BOIP (The Benelux Office for Intellectual Property) | - Request for preliminary research before filing an application is available | - French or Dutch exclusive - Unfamiliar procedures |

⁸⁴ Malawi, Tanzania, Uganda, Zimbabwe

⁸⁵ Kenya, Mozambique, Morocco, Sierra Leone, Zambia

⁸⁶ Based on research from WIPO, OAPI(Organisation Africaine de la Propriété Intellectuelle), ARIPO(African Regional Intellectual Property Organization), and OHIM(Office for Harmonization in the Internal Market).

| | | |
|--|--|---|
| OAPI (African Intellectual Property Organization) | <ul style="list-style-type: none"> - The only method of application available to OAPI members | <ul style="list-style-type: none"> - Language barrier (French) - Only designation of all member states is possible - Unfamiliar procedures |
| OHIM (The Office of Harmonization for the Internal Market) | <ul style="list-style-type: none"> - Relatively low cost than filing application in all member states - Effects in all member states of the EU - Unified management of the trademark rights - Use of a trademark in one member state constitutes use - Effects automatically extend to the new member state | <ul style="list-style-type: none"> - A single prior trademark on the national register in one EU country prevents registration of the conflicting trademark - Effect of the rights is determined by each member countries - Transfer of the trademark rights with respect to only part of the member states is impossible |
| ARIPO (African Regional Intellectual Property Organization) | <ul style="list-style-type: none"> - Designation of parts of the member countries is possible - Relatively convenient than filing application in individual member countries - Unified management of the trademark rights | |
| Madrid Protocol | <ul style="list-style-type: none"> - A single filing of an international application has effects of filing in multiple member states - Simple process and reduced expense in case of filing in multiple nations - May acquire rights in countries where registration takes long time after a certain period of time - Designation of additional member countries is possible - Unified management of the trademark rights | <ul style="list-style-type: none"> - Must have basic application and basic registration - Limited number of member countries - Waste of expense in case of designating only a few states - Extinction of the registration in the state of original accompanies with extinction of foreign registration (Dependency) - Not easy to understand the process |

7) Stage 6: Evaluation

Upon completion of the project, the overall matters of the project shall be evaluated, with respect to whether the initial goal set by the project was achieved, whether the time and expenses have been efficiently managed, and whether the expected impact was derived or whether the impact would be able to be maintained. Such evaluation is not an end in itself but shall be used as reference data for the next stage, such as a following project or another project.

For such post evaluation, the following APEC project⁸⁷ evaluation criteria are employed: relevance, effectiveness, efficiency, sustainability, and impact, but they may be modified depending on the circumstances.

〈Box 6〉 Quality Criteria for Assessing APEC Projects⁸⁸

- **Relevance:** the degree to which the goals of the project satisfy the necessity and priority of beneficiary economies and accord with policies of both beneficiary and donor economies.
- **Effectiveness:** the degree to which the purpose or the goal of the project has been achieved.
- **Efficiency:** the degree to which the cost of the project, considering alternatives, can be justified (i.e., the degree to which various inputs have been economically used and thereby, converted into the output or outcome).
- **Sustainability:** the degree to which positive effect would last in the long term after the policy has been executed or the project is completed.
- **Impact:** overall result of the positive/negative, and intentional/domestic effect of the project

A post evaluation shall be combined with a field study and an evaluation on beneficiary economies, the result of which shall be quantified for the purpose of overall evaluation. A field study shall be carried out by experts of donor economies, and an evaluation on the beneficiary economies shall be performed through surveys targeting local government officials, producers, and communities. If a social consensus on such cooperation has not been formed within donor economies, the outcome of the evaluation may support persuading their people.

(2) Branding Strategies According to Level of Development

This guideline would have a question applying to all the developing economies together. Therefore, in this section, after looking into the classification of these economies according to

⁸⁷ They are same with ones in OECD DAC.

⁸⁸ Guidebook on APEC Projects (edition 7) P.55

their level of development, branding strategies tailored for least-developed and middle-level developing economies respectively are presented.

The World Bank classifies economies into four groups depending on their average income: low income (\$1,005 or less), lower-middle-income (\$1,006 to \$2,975), upper-middle-income (\$3,975 to \$12,275), and high income (\$12,276 or more) as of July 2011.⁸⁹ For the purpose of this section, low income economies are considered as least-developed economies, and lower and upper middle income economies are considered as middle-level-developing economies.

Least-developed economies have relatively lower level of economy than middle-level developing economies, and thus, a legal infrastructure IPR might have not been properly and practically set up. Therefore, a differentiated approach should be employed for the project feasibility study and project implementation strategies. Considering such issues, the proposal below provides a branding strategy customized for least-developed economies and middle-level developing economies respectively.

1) Strategies for Project Feasibility Study

A. Least-developed Economies

① Demand Forecasting

Due to little chance of obtaining the data required for demand forecasting, interview and qualitative analysis would be an appropriate way to conduct field research. A market survey, a historical analysis, or a proper mixture of the two shall be used to estimate the demand. In other words, a survey on potential demand for certain products shall be conducted through targeting local residents, potential customers and experts, and the potential demand may be predicted based on the life-cycle and/or unit price of the similar products, manufacturing trends and characteristics of products . It would be desirable to use the market survey as a main method and the historical analysis as a reference.

② Economic Impacts

As to the regional impact of the project, because it is hard to acquire the data necessary for analysis such as inter-industry analysis, the prediction shall be made by looking into the beneficiary economies' request form and by conducting field research (including consultation with experts). To be specific, related industries, demand for the similar product in different regions, and import substitution products shall be studied. Also, the local techniques that can be used to develop the products and those that require aids from donor economies shall be identified before engaging in a qualitative analysis on the effect of technology transfer.

⁸⁹ The World Bank, <http://data.worldbank.org/news/2010-GNI-income-classifications>.

③ Capacity building for acquiring Legal Rights and Related Strategies

In Least-developed economies, usually, legal system has not been practically built and they face a shortage of related human resources. Therefore, additional considerations shall be given as to whether they are able to secure resources from outside the site reserved for the branding project. Since the deficiency in ability to acquire rights makes it hard to organize union and to conclude an agreement among multiple interested parties. A trademark would be preferred to geographical indications among eligible IPRs. In addition, the examination should cover whether education (capacity building) needs to precede brand development, and, if necessary, where the focus should be put on.

④ Duration of the Project and Budget

For lack of either a legal infrastructure or an awareness of legal rights among the local communities, it would take time to establish infrastructure and to conduct preliminary education. Accordingly, the duration of the project is estimated to be more than 10 month which is the average duration, so a consideration shall be given to how much time would be necessary for education or overall preparation for the branding and whether the entire duration exceeds 12 months. On the other hand, as beneficiary economies would have hard time in taking responsibility for the costs of branding (because supports would be mainly given to producers' group, rather than to a company), as an alternative donor economies shall bear the entire costs or establish funds. However, the areas and roles which beneficiary economies are able to take responsibility must be clearly identified.

⑤ Willingness to Promote the Project and Stability

Since the branding project may be less preferred by the residents or less prioritized among the government policies in line with the economic development outline of beneficiary economies, whether beneficiary economies have a will to promote the project shall be determined through an on-site interview. Also, political, economic and social stability must be closely looked into via historical data beforehand.

⑥ Other Issues

From the donors' point of view, if they only consider the economic benefits from the cooperation, they would not be able to decide in favor of supporting the project. However, for the sake of diplomatic relations, if cooperation is in line of diplomatic or humanitarian policy in donor economies on some level, they should review such cooperation.

B. Middle-Level Developing Economies

① Demand Forecasting

The data required for demand forecasting in middle-level developing economies would not be easily obtained, but there is a better chance of quantitative analysis for middle-level developing economies than least-developed economies. Thus, the future demand shall be estimated by combining moving average method (MAM) and linear regression method (LRM), besides a market survey. The MAM requires smaller number of data for an estimation of the demand and it is technically simpler, but it is unable to consider as various determinants of potential demand as the LRM can. Therefore, it is desirable to use the LRM as possible and to use the MAM if data is unavailable.

② Economic Impact

The economic impact of the project shall be estimated by looking into the inter-industry analysis and by estimating effect on production and added value generation. When the data is unavailable, like in least-developed economies, local experts shall be involved. Particularly, the related industries, demand for similar products in different regions, and import substitution products shall be studied. Also, local technologies for product development and the other technologies requiring assistance from donor economies shall be identified in this stage through a qualitative analysis on the effect of technology transfer.

③ Capacity building for acquiring Legal Rights and Related Strategies

Since legal system and manpower for IPRs are relatively in better condition, other legal formats, including a trademark, may be considered in terms of strategies for acquiring rights. In addition, when a local company is deemed to have the capability to participate in the project, a joint brand development is worth considering. Hence, if there is a city brand in the region, like *Hi Seoul* or *I love NY*, the city brand can be linked to support SMEs which have sufficient technical capacities, yet have difficulties with entering into the market due to lack of their own brand and PR. As to education, it can be offered during or after the brand development depending on their needs.

④ Duration of the Project and Budget

With respect to the duration of the project, it shall be examined whether 10 months, an average duration, is suitable for the project. If beneficiaries have abilities to or are willing to bear the fund, creating a matching fund with donors may be visited. Because it is desirable in order to prevent moral hazard of beneficiary economies and to enhance the efficiency of the project. In the case of co-funding, the costs and roles assigned to both should be clearly defined and agreed.

⑤ Willingness to Promote the Project and Stability

Compared to least-developed economies, there are demands for a branding project in middle-level developing economies. Therefore, a field research shall find out project-related government policies and preferences in the local communities. Furthermore, recently, as increasing number of nations are suffering political and social instability, a close study is conducted not to overlook such potential hindrances and to prepare for them.

⑥ Other Issues

In the context of diplomatic relations between developed and developing economies, carrying out the project in middle-level developing economies is reasonable. However, in this case, additional economic benefits to donors might be considered such as following projects, or further trade opportunities.

2) Project Promotional Strategies

A. Least-developed Economies

① Basic Direction of the Project

Brand development and education (capacity building) shall be carried out together, but education shall be conducted twice – before and during the brand development.

② Project Plan

The project is composed of dispatching experts, developing brand, and hosting education. Experts shall be sent out according to its progress but shall include an IP expert if required. When forming a task force team (if needed), sending a leader is optional depending on the circumstances, but the overall project including brand development shall be led by experts.

The first education shall be conducted immediately after launching the project by containing introduction of the project to the communities, expert training program including IP tools, and so on. The second one is delivered during brand development, and it usually covers methods of acquiring rights, communication strategies. Additionally, a workshop shall be scheduled to share branding outcomes.

③ Fund Portfolio and Assignment of the Role

The costs, depending on the conditions of beneficiary economies, may be covered by creating and using a fund or may be entirely paid by donor country when beneficiary economies can hardly afford it. Also, donors are wholly responsible for brand development, consultation, and education which requiring professionalism. Beneficiaries, if they have resources, shall be in charge

of providing a venue and human resources, a contact point with donor economies, local administration for the project, and education.

④ Time Schedule

As to the duration of the project, it shall take 2 ~ 3 months for establishment of the infrastructure prior to brand development and 9 months for brand development, communication, etc. However, the entire duration of the project shall not exceed 12 months.

B. Middle-Level Developing Economies

① Basic Direction of the Project

Brand development and education shall be carried out together, but education shall be given twice – before and during the development process.

② Project Plan

The project consists of dispatching experts, developing brand, and hosting education. Experts shall be sent out according to its progress but must include a branding expert - especially, in the field of consulting and communication. The project shall consider the comparative advantage of the local experts rather than being entirely led by experts from donor economies. And education shall be provided twice in the course of brand development - method of acquiring rights, brand development and its management, marketing and communication strategies, and other technical parts. In addition, a workshop shall be scheduled to share the result of the branding.

③ Fund Portfolio and Assignment of the Role

Donor and beneficiary economies shall jointly bear the cost of the project, and the capability of experts from beneficiaries should be taken into account when assigning roles and responsibilities among two economies. Donors shall take full responsibilities for brand development, consulting and education while beneficiaries are responsible for a venue, manpower, a contact point with donor economies, related local administration, education and a workshop.

④ Time Schedule

The predicted duration of the project shall be 10 months, an average duration, and additional time shall be given for brand consulting, and information sharing among local communities, if necessary.

<Table 14> Project Feasibility Study Strategy

| Classification | Demand Forecast | Economic Impact | Capacity and Strategy to Acquire Rights | Duration of the Project and Budget | Willingness to Promote the Project and Stability | Other Issues |
|--|---|--|---|--|--|---|
| least-developed economies | <ul style="list-style-type: none"> •Field research •Qualitative analysis(market survey, historical analogy) | <ul style="list-style-type: none"> •Field research | <ul style="list-style-type: none"> •Additional study on whether funds are can be secured from outside the local community. •Study focusing on filing an application mainly for a trademark. | <ul style="list-style-type: none"> •Duration: 12 months • Budget: fund or payment by the donor economies | <ul style="list-style-type: none"> • Examination on the priority of the branding project among local government's other policies. | <ul style="list-style-type: none"> •Considerations on diplomatic relations |
| Middle-level developing economies | <ul style="list-style-type: none"> •Field research • Qualitative analysis (market survey) •Quantitative method (moving average, linear regression) | <ul style="list-style-type: none"> •Inter-industry analysis | <ul style="list-style-type: none"> •Study on filing an application for various forms than a trademark •Consideration on a co-brand | <ul style="list-style-type: none"> •Duration: 10 months •Budget: co-funding | <ul style="list-style-type: none"> •Examination on related governmental policy and on preferences in local communities | <ul style="list-style-type: none"> • Potentials to conduct following project, any trade opportunity for domestic companies, particularly for SMEs. |

<Table 15> Project Implementation Plan

| Classification | Basic Direction | Project Plan | Fund Portfolio and Assignment of the Role | Schedule and Implementation |
|--|--|---|--|------------------------------------|
| least-developed economies | •Education → Brand development/Education | <ul style="list-style-type: none"> •Dispatch of experts <ul style="list-style-type: none"> - When establishing legal infrastructure, IP experts •Brand development •Education-Workshop <ul style="list-style-type: none"> - 1 education immediately after initiation of the project - 1 education during the brand development, and - 1 workshop | <ul style="list-style-type: none"> •Collection of a fund or payment made by the donor economies (if the beneficiary economies cannot afford it) •Assignment of the role <ul style="list-style-type: none"> - Donors: brand development (and consulting and education) - Beneficiaries: venue and manpower, a contact point with the donors, local administration for the project, education and workshop (to the extent they can afford) | •12 months predicted |
| Middle-level developing economies | •Brand development → Education | <ul style="list-style-type: none"> •Dispatch of experts <ul style="list-style-type: none"> - Branding and management consultations are required for brand development. •Brand development •Education-Workshop <ul style="list-style-type: none"> - 2 educations during the brand development (management and use of the brand), and - 1 workshop | <ul style="list-style-type: none"> •Joint payment by the beneficiary and donor economies •Assignment of the role <ul style="list-style-type: none"> - Considering comparative advantage between the donor and beneficiary economies - Beneficiaries: venue and manpower, a contact point with the donor economies, local administration in connection with the project, education and workshop (to the extent they can afford) | •10 months predicted |

VI. Pilot Projects

1. Product Selection

In determining the most appropriate products from the requests, the product analysis and selection was an essential step as a starting point. For an effective product analysis, this project considers those assessment criteria below throughout Round 1 and 2.

(1) Assessment Criteria

<Table 16> Assessment Criteria for Product Selection

| Criteria | Description |
|--|---|
| Aims of the project | The APEC One Village One Brand Project aims to support local producers or SMEs to establish IP strategies for product branding. |
| IP policy & legal environment | To utilize IP tools such as a trademark or a collective mark effectively, the relevant laws and policies are needed. Thus, the existence of IP law and legal infrastructure was a critical indicator to evaluate. |
| Willingness | For smooth sailing in actual implementation, the assessors considered recipient's cooperative behaviors, regarding on the factors such as 1) timely response, 2) assignment of a government official for this project, and 3) existence of local producers association. |
| Time & Cost management | As this project is finished on May 2012, the target products should be appropriate to develop their brand logos and branding strategies within 10 months. |
| Product Marketability | Assessors estimated product marketability which includes 1) growth potential, 2) competitiveness, 3) market demand, and 4) technical capacity for branding |

(2) Process

In the first round, the product evaluation team which consists of patent attorneys, researchers, economist, branding managers, and experts from NGO selected five products among ten proposed ones on preliminary step. (Refer to Request Form I⁹⁰) Then, in the second round, Chinese Taipei, Japan, and Republic of Korea participated as assessors to evaluate those five selected products throughout Round I. Each economy put the products in order by ranks

⁹⁰ Annex 1.

considering the assessment criteria above with descriptive comments.

<Table 17> Assessment Criteria and Methodologies

| | Assessment Criteria | Assessors | Methodologies |
|-----------------|--|--|---|
| Round I | <ul style="list-style-type: none"> - Willingness - Local Producers' Cooperation - IP policy - Time and cost management - Demand & sales forecasting | <ul style="list-style-type: none"> - Patent Attorneys - Researchers - Economists - Branding Managers - Experts from NGO | <u>AHP</u> AHP was used as a measure to evaluate. In weighting the selective key criteria, the evaluation team expedited the decision-making process among ten proposed items. |
| Round II | <ul style="list-style-type: none"> - Project aims - IP policy and legal infrastructure - Product Marketability - Producers' Cooperation | <ul style="list-style-type: none"> - Chinese Taipei - Japan - Republic of Korea | <u>Ranks</u> Each economy puts the products in order by ranks and each item found an average rank. |

| Initially Proposed Items (10 items) | Items | Economy |
|--|----------------------------------|----------|
| | 1. Native For Life (Dried Fruit) | Chile |
| | 2. Creamy Fruit Vinegar | |
| | 3. Pendant with Meteorite | |
| | 4. ABA's Packaged Drinks | |
| | 5. Bok Choy (Chinese cabbage) | China |
| | 6. Bamboo Fiber Articles | |
| | 7. Cashmere | |
| | 8. Tibetan Carpet | |
| | 9. Papaya | Mexico |
| | 10. Doi Chaang Coffee | Thailand |



| Recommended Items via Round I (5 items) | Items | Economy |
|---|--------------------------|----------|
| | 1. ABA's Packaged Drinks | Chile |
| | 2. Creamy Fruit Vinegar | |
| | 3. Doi Chaang Coffee | Thailand |
| | 4. Bamboo Fiber Articles | China |
| | 5. Papaya | Mexico |



| Selected Items via Round II (2 items) | Items | Economy |
|---|--------------------------|---------|
| | 1. Bamboo Fiber Articles | China |
| | 2. ABA's Packaged Drinks | Chile |

<Figure 25> Product Selection Process

2. ANJI Bamboo Fiber in China

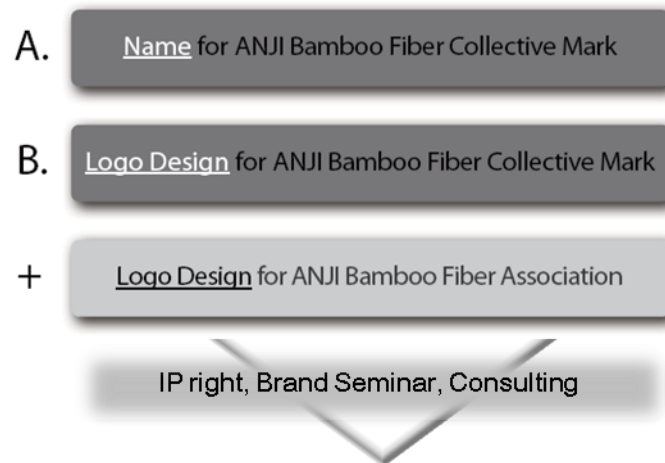
(1) Overview

1) Contents

<Table 18> Overview of the pilot project in China

| Item | Description |
|---|--|
| Producer | Anji Bamboo Association (Association) |
| Product | Bamboo fiber |
| Reason for the product selection | There are too many kinds of end-products in terms of brand sharing and usage; however, members of Association have a common interest in 'Fiber.' |
| Competing goods | TANBOOCEL (Sichuan bamboo fiber) |
| Target markets | China, Europe, and the United States |
| IP Format | A collective mark |
| Scope of the work | Developing a brand name and a symbol, Educating on IP rights, brand and its management, and Consulting branding strategies. |

The project includes developing a brand logo⁹¹, education on branding strategies including branding and legal basics and reflecting additional factors that Association intends to seek. Based on the visit to ANJI and depth interviews with the stakeholders, the research finds that Association has been newly founded, and the organization as a producer cooperative has not been formed at the practical level. The overall structure of results from the project in ANJI is shown as follows:



<Figure 26> ANJI Bamboo Fiber Association⁹²

The project includes creation of a brand logo and Association's CI stated above and also delivers educational discussions, brand consultations and presentations of results through the whole process.

- 1st Visit on November, 2011: To explain a significance of brand and IPRs, to interview with stakeholders, and to discuss ideas and intentions in Association.
- 2nd Visit on February, 2012: To discuss and present a brand logo developed, to deliver and discuss following branding strategies.

2) Achievements

The following Issues were found in Association prior to this project:

- The association has been newly established; therefore, hardly identify any representing figures or roles and responsibilities of members.
- The association lacked an awareness of IP tools such as a trademark, a collective mark or a certification mark.

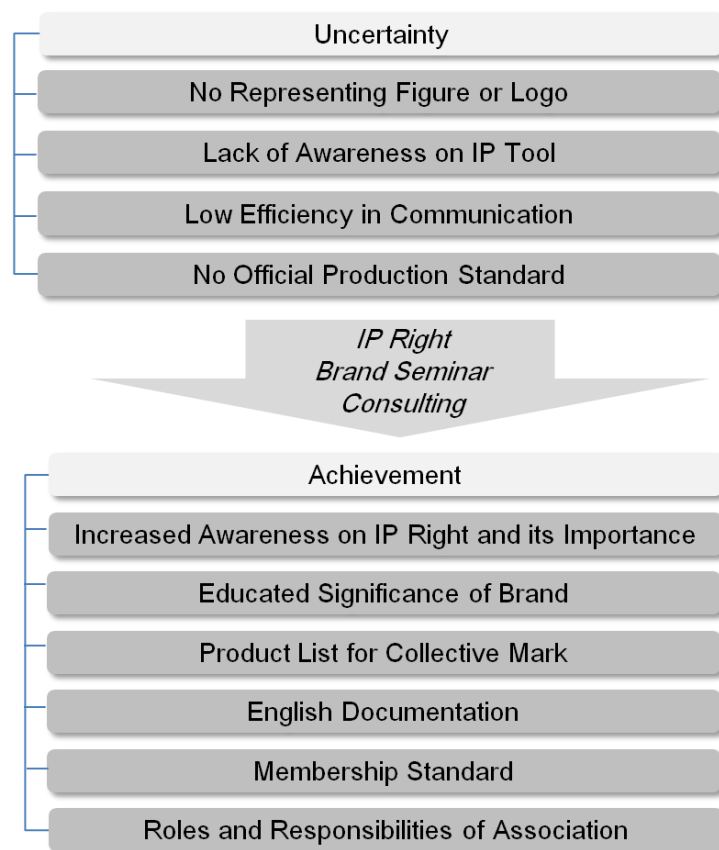
⁹¹ In this assignment, brand refers to signs that include name, symbol, logo, slogan, and package, which consists of word mark and form mark. Work mark can be pronounced and generally refers to brand name. Symbol cannot be pronounced and generally expressed as word, number, figure, picture, and color. Following assignment focuses on its purpose on developing brand and symbol.

⁹² ANJI Bamboo Association is hereinafter referred to as "Association"

- A decision-making process has not been set up in terms of registration and development due to diverse interests among members.
- The qualification of the target product was hardly identified or followed to acquire a collective mark or a certification mark.

Several achievements have been obtained from this project, including:

- Delivered a significance of brand value and its right via education and discussion sessions.
- Adequate product class for a collective mark application is now complete.
- Association-related documents are now being translated into English.
- Quality control requirements for the target product are being developed.
- Rights and obligations entailed in using the collective mark "ANJIAN" are being established.



<Figure 27> Achievement through this Project

(2) Environment Analysis

1) Regional Analysis on Anji, China⁹³

ANJI Bamboo Fiber Association is located in Anji County of Huzhou city, China. Area of Anji County in total is 1886km², with population of 450,000, and divided into 16 development zones. Anji County is originated and built in 2 Zhōngpíng year and has more than 1,800 years of history.

Economic growth of Anji County is now rapid. Especially bamboo fiber products, such as clothing, swivel chair, tea leaves, bamboo shoot, and building materials are most likely to be distributed from the region. Anji County is well known as 'Origin/hometown of bamboo' and its beautiful bamboo forest is often used for the background when filming. The Anji bamboo industry has 45,000 people, about 10% of Anji population. Every year, Anji produces 12 million commercial bamboo poles. It is nationally at the first place. Anji also has one of the largest bamboo nurseries. The Anji Bamboo Garden is well known by scholars worldwide, contains large variety of bamboo to be found. It was formerly a bamboo grove research base with scientific research and teaching.

Anji is located in between Shanghai and Hangzhou, very close to freeway, which motivates economy development. Diverse bamboo products, including furniture and others are being manufactured in the region and exported, the industry is yet infant stage.

2) Unique Features of Bamboo Production

Bamboo trees from Anji are being used for finishing materials in construction, textile, chemical engineering, crafts, foods, and decoration, using their unique agricultural skills. More than 260 bamboo-related plants are located in the region and 100 trademarks are registered with 1,000 different patents.

More than 200 companies form Association and more than 50% of Association owns original brands individually, however it seems there needs a brand with stronger power in order to motivate intense promotion and act more than OEM production. OEM production is beneficial for companies whose level of technology and production is high, which could concentrate on building capabilities for further process in production, product development, design, marketing, and distribution. On the other hand, low unit cost may interrupt profitability and enhancing own power on product development, marketing, and distribution.

⁹³ Based on information from the field research and China.org, <http://www.china.org.cn/english/travel/203803.htm>.

3) Advantages of Anji Bamboo Fiber

The textile of bamboo fiber is very soft and absorbs water three times more than cotton. Bamboo fiber is highly antibacterial and efficiently blocks the harmful ultraviolet rays from the sunlight, therefore there are high demands from the Middle East.

It has less skin-irritation and Association says bamboo fiber is highly resistant to cancer⁹⁴. It is applicable to a number of different products and could efficiently function when interwoven with cotton. In addition, bamboo fiber clothing is relatively warm in cold weather and cool in hot weather, also dries fast without odor.

4) Disadvantages of Anji Bamboo Fiber

Bamboo fiber costs 5~10% more than cotton in market, therefore it has less competitive price. Bamboo fiber is one of the 5 famous fibers of cotton, fur, linen, and silk; however, is less likely known than other fibers and its specified fiber categories or quality standards hardly exist. Generally 70% of bamboo fiber with 30% of cotton is ideal, while 100% bamboo fiber is relatively not durable. In addition, pollution from the process might be a barrier to be authorized by certifying organizations.

5) Anji Bamboo Fiber Association

Association is first founded on September 28, 2011, which is the same date as Confucius was born. Association has more than 200 companies as members that produce their own textile or final products. It requires much effort from Association in order to enhance brand competitiveness of Anji bamboo fiber, since none of Corporate Identity (CI), quality management system, long-term management plans, short-term action plans, or visions and roles of the organizational structure.

<Table 19> Environmental Analysis Summary of ANJI Bamboo Fiber Association

| Status | | Key Factors |
|------------------------|---------------|--|
| Environmental Analysis | | Massive production of bamboo trees |
| Bamboo Fiber | Advantages | Environment-friendly Soft textile Highly antibacterial |
| | Disadvantages | No quality standard Pollution from processing Less popular than other textiles |

⁹⁴ Cancer-resistance of Anji bamboo fiber is not scientifically proved..

| | | |
|--|---------------|---|
| ANJI Bamboo Fiber Association | Advantages | A High level of willingness in terms of competitiveness enhancement |
| | Disadvantages | A lack of organizational skill and power No quality control system |

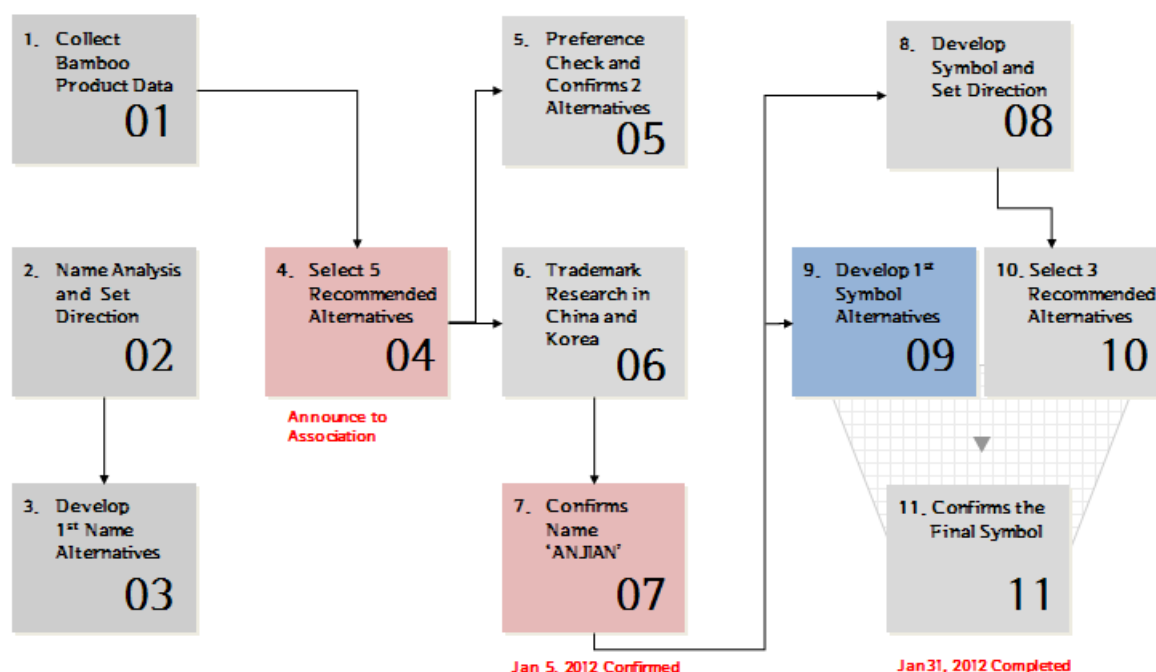
(3) Brand Development Outline

1) Brand Development Direction

Through depth interviews and discussions, it is agreed to develop a CI and a collective mark. Co-brand, which is generally shared and used among members of related organization, is concluded to be excluded. We offered co-brand strategies since successful global brands today have been relied on enhancing brand power through co-selection and co-marketing in common; however, current members are strongly willing to maintain their original brands. Therefore, following project focuses on an collective mark as of now.

2) Brand Development Process

Certification brand development of Anji bamboo fiber is completed as follows: the initial goal was to develop name and symbol, and the name has been confirmed as [ANJIAN] after some modifications according to Association's needs.



<Figure 28> Brand Name and Symbol Development Process for ANJI Bamboo Fiber

(4) Brand Name Development

1) Bamboo Fiber and Textile related Name Analysis

After analyzing names of bamboo fiber textile and clothing thereof in China and other countries, they are often expressed as words that reflect primary attributes of bamboo fiber, such as 'nature', 'green' or Chinese letter '天', which represents 'sky or high'.

They are often directly being expressed, such as 'Bamboo Textile', or 'Bamboo'; however, the directly-expressed brand names are different from the primary intention and purpose. Most bamboo fiber brand names form bamboo images or shapes, and the fact is applicable as a motive for Association to set a further direction to design.



<Figure 29> Bamboo Fiber and Textile related Names

2) Keywords Extraction for Naming

<Table 20> Keywords Extraction for Naming

| Keywords | Descriptions |
|--|--|
| Regional Features of Anji | <ul style="list-style-type: none"> - The primary feature of the region, 'hometown of bamboo' or 'city of bamboo', and the secondary feature of eco-friendly environment are applied. - Chinese letter '安' means 'comfy', 'comfortable', 'ease', 'pleasant', 'amicable', 'cozy', 'peaceful', and 'relaxed'. - Chinese letter '吉' means 'good', 'right', 'lucky', 'bliss', 'admirable', 'marvelous', 'excellent', 'blessed', 'merry'. |
| Birth date of Confucius | <ul style="list-style-type: none"> - Association has been founded on the same date of Confucius was born, 28th of September. High level of respect for Confucius is found. - Keywords from the name of Confucius: Confucius, Kongzi, Kongfuzi, Xianshi. - Keywords from human, courtesy, and righteousness: benign, benevolent, virtuous, righteous. |
| Natural Features of Anji | <ul style="list-style-type: none"> - Keywords from nature(自然, zi ran): natural, pure, raw, native, plain, green. - Additional keywords: blessed, angelic, GAIA. |
| Human-friendly Features | <ul style="list-style-type: none"> - Keywords from human-friendly and eco-friendly features: friend, mate, pal, amiable, amicable, mellow, harmony |
| Direct expression from fiber or textile | <ul style="list-style-type: none"> - Keywords from the objects: fiber, fabric, textile, texture, yam, cloth, cellulose |



<Figure 30> Main Keywords of ANJI Bamboo Fiber as Certification Brand

3) Recommended Names and the Final Selection

Based on the broad research, internal discussion, and reviews from trademark experts, the following 5 alternatives are recommended and delivered to Association. The final name [ANJIAN] has been selected through communications with Association members, and Mr. Zhao, an IP

attorney in China. Then, the final selection has been decided, considering registration of a trademark and negative meaning in the words.

<Table 21> Recommended Names

| Recommended Name | Description |
|---|---|
|  | <ul style="list-style-type: none"> - Name: ANJIAN - Source: ANJI + ~ian(suffix that means 'from something', 'person who is an expert on something') - Comment: Simply expresses 'Bamboo Fiber' is from 'Anji', by placing one word below another. Delivers stability and creates rhythmical word order, repeating 'AN'. |
|  | <ul style="list-style-type: none"> - Name: BAMBERA - Source: BAMBOO + FIBER + ANJI - Comment: Conjoined the words of 'Bamboo', 'Fiber' and 'ANJI', which describe 'Bamboo Fiber from ANJI'. Pronounces softly, which reflects the attribute of bamboo fiber. |
|  | <ul style="list-style-type: none"> - Name: BAMBRIC - Source: BAMBOO + FABRIC - Comment: Conjoined the words of 'Bamboo' and 'Fabric'. Carries only one meaning of 'Bamboo Fabric'. Sounds official, confident, and professional. |
|  | <ul style="list-style-type: none"> - Name : ZUDE - Source: 竹(Zhu modified as ZU) + 的(DE) - Comment: Conjoined the words of '竹(Bamboo)' and '的'. Could achieve modern look and sound, by writing '竹的' in English. Western look with Chinese authenticity meaning. The words 'Fiber' and 'Textile' could describe related products. |
|  | <ul style="list-style-type: none"> - Name: LUXIAN - Source: [CHINESE]綠(Lu, Green)+天(Xian, Fiber) - [ENGLISH]LUXE(elegance)+~IAN (suffix that means 'from something', 'person who is an expert') - Comment: In Chinese, expresses 'a green fiber', and in English, 'an elegant person' or 'from a precious material'. Characteristics of 'green' and 'elegant' match characteristic of Bamboo Fiber. |



<Figure 31> Recommended Names & Final Name Selection

(5) Symbol Development

1) Design Motifs

First, the design motive for a symbol, which will be associated with the brand name [ANJIAN] must be decided. Following design motives show main keywords of bamboo, fiber, eco & soft, and Anji. The images are as follows:



<Figure 32> Symbol Design Motives for ANJIAN

2) Recommended Symbols and Association CI Designs

Based on intensive communications with design experts, a professor from Hongik University and a designer and a CEO of BRN Christmas, the following 4 symbol designs have been selected.



<Figure 33> Recommended Symbols

In addition to the symbols, Association's CI Designs have been recommended as follows:



<Figure 34> Recommended Association CI Designs

3) Final Symbol Design Selection

From the first visit, it was recommended to develop Association's CI with a separate brand name for bamboo textile. However, the board of Association has agreed to use one symbol for their certification mark and CI as well. Following is the final symbol design that will be used as the CI and the certification mark therewith.



<Figure 35> Final Symbol Design

(6) IP Protection Strategy on ANJIAN

1) Available IPR Forms

Association has considered between a collective mark and a certification mark; however, they decided to apply for a collective mark less particular for quality control at this moment by considering their current capacities. According to regulations for registration of collective marks in China, it requires the following: 1) the purpose of using the collective mark, 2) the quality of the goods to which the collective marks applies, 3) the procedures for using the collective marks, 4) the rights and obligations entailed in the use of the collective mark; 5) the liability the members shall bear for breaching the regulation, and 6) the registrant's system for the inspection and supervision of the goods to which the collective mark applies.⁹⁵

Above all, for filing a collective mark application, class of goods or services must be indicated. By reflecting products or services provided by members in Association, the following categories have been selected as of now.

<Table 22> Product Class for Trademark Registration⁹⁶

| # | Category | Class | Sub products/ Services | Relevance |
|---|----------|-------|-------------------------------|-----------------|
| 1 | Goods | 23 | Fabric thread, Bamboo Textile | Highly Relevant |
| 2 | Goods | 24 | Textile or Related Product | Highly Relevant |
| 3 | Goods | 25 | Clothing, Shoe, Cap | Relevant |
| 4 | Services | 43 | Wholesale or Retail Business | Highly Relevant |

Especially, when targeting overseas markets, in addition to the applicable goods/services codes in target countries, it is recommended for Association to include other products and review export plans in terms of laws or regulations and protections thereof. For example, when exporting bamboo plates or cups, it might require in-depth procedures for health, safety, and environment test.

However, ultimately, it is recommended for Association to apply for a geographical indication as a certification mark based on strong regional characteristics of Anji bamboo fiber. What GI registration is expected to deliver to Association are as follows:

- Basically, requirements for GI application show quality excellence of ANJI bamboo fiber, in terms of relation between natural environments of Anji and bamboo trees, and historic features of ANJI bamboo and bamboo fiber.

⁹⁵ Measures for the Registration and Administration of Collective Marks and Certification Marks

⁹⁶ Referring to NICE Classification 10th Edition.

- GI application enables Association to protect IPRs on ANJI bamboo fiber, but eventually, the application process enables Association to enhance brand competitiveness of ANJIAN. Particularly, the application for a GI shall meet the requirements of technical specifications for the production, safety and environmental requirements, supervision and inspection standards. The factors must be documented with supporting data to prove the elements.
- Internally, quality management system of ANJI bamboo fiber must be established, and quality control standard, including selecting and processing methods, must be settled as soon as possible.

(7) Brand Competitiveness Enhancement Strategy

There are some presumptions prior to developing branding strategies for Association. Association must be the only one that carries out the brand plans and businesses. Regardless of whether Association purchases from members to sell or produce its own, the final goal for Association is to sell fiber related end products in China and also find export opportunities, rather than Anji bamboo fiber itself.

1) Systematization of ANJI Bamboo Fiber Association

As mentioned before, it has been less than 1 year since the start of Association; therefore, there are a number of tasks to systemize Association, and to improve their brand power of ANJIAN. Systematizing the organization is the most crucial for Association at the initial step forming such entity.

To reach the goals in the entity, Association must act as a brand manager⁹⁷, thereby plan and manage the whole related activities strategically. Such roles of Association, in terms of brand management, are as follows:

- Drafting articles of association.
- Describing the duties and responsibilities of Association itself.
- Prescribing membership qualifications.
- Drawing a roadmap that structures horizontal and vertical systematization of Association.
- Establishing funding mechanisms to run Association.
- Making a request for active supports from the local government.
- Hiring brand and IPR experts or networking with them.
- Hiring experts in quality management or setting up business relationship.

⁹⁷ Brand manager generally takes care of product development, communication strategy, packaging, market research, sales management, and estimate market analysis.

- Applying IPRs and partnering with patent and trademark attorneys.
- Supporting and encouraging technical cooperation in developing natural dye technology and investing other R&D for quality improvement in bamboo fiber based on common interests in members.
- Providing guidelines for quality control and inspection.
- Persuading OEM companies to join Association and to employ the brand.
- Supporting members both in the domestic and international trade procedurally, technically, economically, and so forth.
- Providing regular training on brand, marketing mix strategy, and importance of partnership among members.
- Providing branding consultations on advertisement, sales promotion, public relations, or personal selling, both collectively and individually.

2) Co-Brand Strategy



is now only limited to a collective mark for bamboo fiber textile, however it is necessary to build a quality management system (QMS) to efficiently control quality of goods with the marks. At the practically level, the quality management requires hiring staffs and training them to maintain the system at some standard level. Quality management not only manages and guarantees the quality but also focuses on a master plan and TOM (Total Quality Management) in terms of organizing, supervising, and controlling, in which less defects, cost cutting, and facility improvement are achieved.

A 'Co-brand' can be extensively used to support quality control in SMEs that produce similar or related products. Such co-brand normally focuses on resolving issues or amplifying the synergy in their marketing, budgeting and advancing technologies. Thus, a co-brand is employed and managed by a group of producers such as a producer cooperative or an association.

In that sense, ANJIAN is fit for a co-brand in order to motivate members to cooperate under Association's umbrella, and maximize brand power from the bamboo textile to related products therewith. However, applying co-brand strategy on every member is impossible for the moment, since many member companies have their own original brands, and do not willing to give up their own brands. Therefore, it seems more promising for those members whose own brands do not exist or for prospective members who would participate in co-brand business under/with Association.

In addition, there are some potential issues internally such as a matter of operational expenses, a decision making process or a significant disagreement on the overall cooperation. To avoid the

potential problems, Association is required to hold a meeting on a regular basis and to open official communication channels.

Furthermore, it is recommended for Association to charge certain amount of money based on member's annual profits generated from applying the ANJIAN, in addition to membership fees. Of course, the fee must be used to communicate with the market and consumers via their co-brand. Particularly, the fund can be invested in the global market co-promotions.

3) Intensive Communication on Scientific Superiority

In the related industrial area, bamboo fiber is known as one of world-famous fiber including cotton, fur, linen, and silk. Comparing with the others, bamboo fiber is not widely known, even though it is eco-friendly and beneficial for human body. Thus, these advantages of bamboo fiber must be emphasized, and Association is recommended to conduct the following brand communication:

- [Targeting] housewives who have children under age of 5, also being cautious with atopic allergy
- [Positioning] soft feeling and high antibacterial activity
- Key activities to ensure communication messages, such as an endorsement effect through introducing relation between a movie 'Crouching Tiger, Hidden Dragon' and Anji bamboo or the region in order to enhance signaling trust to prospective consumers by attaching originality, recommendation from experts, or celebrities.
- Participating in International Fiber and Textile Forum to spread their superiority

As stated above, positioning competitiveness of Anji's bamboo fiber relies on 'soft feeling and high antibacterial activity'. Marketing must concentrate on sales of products that do not require high durability for next 5 years. The products could be underwear, t-shirts, bathrobes, towels, and blanket/pillow/bed cover.

In the meantime, it is also required to find and establish B2B transactions with major clothing manufacturers, rather than concentrating only on B2C marketing. 'Because, although they have good materials for clothing, they do not have high level of design skills which are directly affect sales yet.

Furthermore, currently, Association has common interests in bamboo textile; thus, it needs to put their promotional efforts on materials, technologies for textile itself. As we all know, there are successful examples of waterproof textile, 'Gore-Tex', and artificial elastic fiber, 'Lucra.



<Figure 36> Branding Strategy for Anji Bamgoo Fiber

In sum, success of ANJI bamboo fiber relies on the easier visibility of its original attributes and values as a natural material for high quality articles.

4) Additional Considerations

It requires significant roles and responsibilities for Association to play in order to carry out branding plans in order. First, it must take a closer look into their export plans whether ANJIAN's product categories should remain the same in China and foreign market or partially limit the categories depending on characteristics of the market. Adjustment and customization of the plans lies on the factors, such as target consumers, product usage and regulations, income level and other environmental differences.

Association should constantly invest internally on the study of foreign and export market since the product categories for export have not been completely confirmed. Such study must concentrate on finding trends on the products that Association intends to export for sales. Also, the scope of the study must cover pricing, product positioning, monitoring, and future planning in detail. Also, Negotiation and cooperation with a local government must be enhanced since Association hardly finds branding investment on its own, particularly in the initial step. Such negotiation should focus on establishing certain branding plans to convince them for financial and regulatory supports.

A 5-year plan must be developed. The plan must consider every possible factor that might arise in the value chain or potential possibility to create added value from each process. Also, the plan must reflect opinions and discussions in the marketing perspectives of the members. A two-way platform could be an effective way for a better connection with foreign target markets but it should be followed by achieving a certain level of brand-related abilities in Association.

3. A Maquiberry Alcoholic Beverage in Chile

(1) Overview

1) Contents

<Table 23> Overview of the pilot project in Chile

| Item | Description |
|---|--|
| Producer | ABA Distil (ABA) |
| Product | 12% Pisco and Maquiberry Blended Alcohol |
| Reason for the product selection | ABA's new product needs a brand name and logo, and strategies thereof. |
| Competing goods | Maquiberry Pisco is not available in current market. ABA expects Mango sour(5%), Beer(5%), Iced drink(7%) to be their prospective competitors. |
| Target markets | Chile, Republic of Korea, and The United States |
| IP Format | A trademark |
| Scope of the work | Developing a brand name and a symbol, Educating on IP rights, brand and its management, and Consulting branding strategies. |

The project includes developing a brand logo, education on branding strategies including branding and legal basics and reflecting additional factors that ABA Distil intends to seek. Based on the visit to Chile and depth interviews with the stakeholders, the research finds the direction of its specific tasks for ABA's new product. Basically, including a brand name and symbol development of the new product, a bottle design has been developed as the CEO's request. The overall structure of results from the project for ABA is shown as follows:



<Figure 37> Key Assignments of ABA Distil, Chile

The project includes creation of a brand logo and a package design stated above and also delivers educational seminars, brand consultations and presentations of results through whole process.

- 1st Visit on November, 2011: To explain a significance of brand and IPRs, to interview with stakeholders, and to discuss ideas and intentions in the ABA.
- 2nd Visit on February, 2012: To discuss and present a brand logo and a bottle design developed, to deliver and discuss following branding strategies.

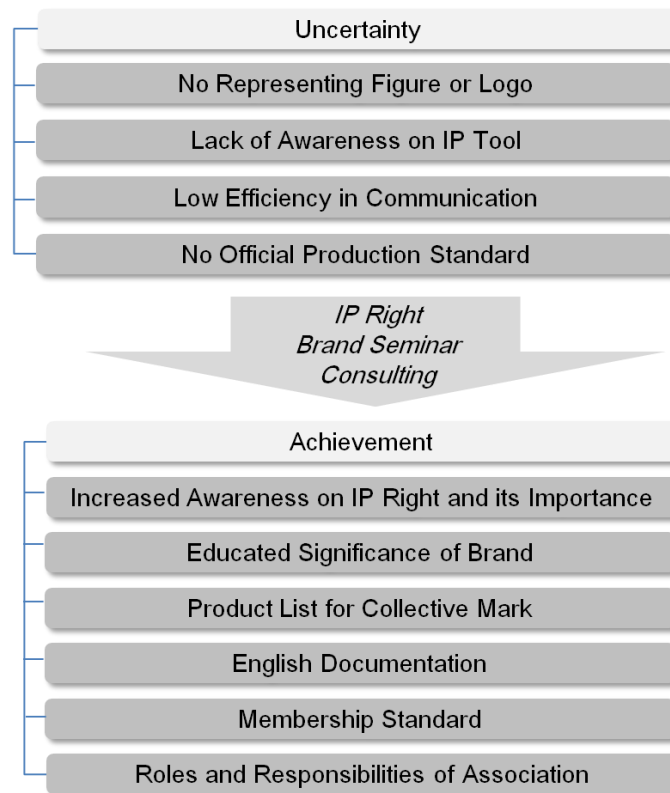
2) Achievements

Following Issues were found in ABA prior to this project:

- The production has not completed with its formulation, container, or volume except 12 proof alcohol.
- ABA is not well known to general public, even in Chile.
- ABA has not done enough study on its new target market of the new product.
- Difficulties were found in pricing and product details.

Then, several achievements have been obtained through the following project including:

- Delivered significance of brand value and its right via education sessions and discussions.
- Recommended target consumers in Republic of Korea (consumers in 40s to 50s, current fruit wine consumers).
- Compared to the similar product types in Korean alcoholic beverage market.
- Four different formulations tested, planning to conduct promotion by 2012.
- Provided survey questionnaires to measure consumer preferences in the ABA sites
- Preparing a trademark application in Republic of Korea, and a trademark registration is in progress in Chile.



<Figure 38> Achievement through this project

(2) Environment Analysis

1) Regional Analysis on Vicuña, Chile⁹⁸

ABA Distil is located in Vicuña, Which lies 500 km north of Santiago, a part of an Elqui Valley, which is called, 'the heritage bestowed by God'. The valley is also well known and has reputation as a wine producing area. The skies are clean with high atmospheric clarity, and the region enjoys of very pure and stable atmospheric conditions where Muscat grapes grow, yielding high contents of sugar and flavor. In fact, it has clear skies and no clouds for over 300 days in a year and it is one of PISCO-producing centers.

2) Organization Analysis

ABA Distil is located in the heart of the northern valleys and their facilities are visited all-year-round by thousands of tourists that come to learn and enjoy their drinks, as well as to be in contact with splendorous nature, history and traditions.

⁹⁸ Information from the field research.

Name of ABA Distil is named from the family name 'Aguirre' and the last name of founder's wife 'Basulto'. They took 'A' from the family name and 'BA' from 'Basulto' to make the company name. ABA Distil has been operating their grape farm for 3 generations since its foundation in 1921. And ABA Distil has launched its first own Pisco brand 'PISCO ABA' in 2001.

The Company has 4 produce lines, each with its own brand, that include pure spirits, a cream liqueur, a flavored sparkling, a mango cocktail and it is about to add a new alcoholic beverage made with Maquiberry, the most antioxidant fruit in the world produced in the Chilean Patagonia, in the far south of the country.



<Figure 39> ABA Product Lines

The whole production process, including harvesting, bottling, and labeling at ABA Distil is done by handwork. ABA is confident with the process, processing facilities, their Pisco products and the fact that ABA's Pisco brand 'PISCO ABA' and 'FUEGOS' that have been remaining one of the best qualities among other brands in the market since their development. Particularly, ABA Pisco had won awards from a wine fair, IWSC (International Wine and Spirit Competition). In addition, 60% of the sales relies on export, ABA has been exporting its products to foreign markets through local distributors, including England and Canada.

A number of visitors to ABA farm can be significant resources to analyze their products because ABA can collect good raw materials for analyzing consumer preferences for ABA's existing and new products.

The number of ABA employees is less than ten, however their service year is long and all of them are professionals in the field. In addition, it is one of strengths that a horizontal communication channel is opened among the employer and employees.

3) Competitor Analysis

There are less than 20 Chilean manufacturers currently produce Pisco. CAPEL and CPCH are the biggest companies and they dominated Pisco industry - approximately more than 90% market share in Chile.⁹⁹

<Table 24> Some Competitors¹⁰⁰

| Size | Company | Status |
|--------|---|--|
| Large | CAPEL (Cooperativa Agrícola Pisquera de Elqui Ltda) | - Brand : Capel, Alto Del Carmen, Artesanos de Cochiguaz - More than 1,500 partners - 51% market share - Equipped with automated manufacturing facilities |
| | CPCH (CIA Pisquera De Chile) | - Brand : Mistral, Control C, La serena, Campanario, Tres Erres - More than 700 partners |
| Medium | Bauza | - Brand : Comarca - Owned by a family - Small, but with high technological levels in their process |
| | Mal Paso | - Brand : Mal Paso - limited in the national market |
| Small | ABA Distil | - Brand : Fuegos, Pisco ABA - Owned by a family - Some exports to UK, Canada, and USA. |
| | Tulahuen | - Brand : Waqar - Waqar distillery takes out Best Pisco at San Francisco World Spirits Competition (April, 2012) |
| | Los Nichos | - Brand : Fundo Los Nichos, Espiritu De Elqui |
| | San Felix | - Brand : Horcon Quemada |

The producers have formed Pisco Producers Association in 2003, and they have participated international trade show; for example, they launched a promotional campaign the spirit in New York City in 2012.

4) Introduction of the New Product

ABA's Maquiberry drink refers a mixed alcoholic drink that is mixed with Pisco¹⁰¹ and Maquiberry essence or powder. The proper mixing ratio has been under test. ABA's Maquiberry drink has partial similarity to 'Bokbunja' drink in Korea, in terms of intended and planned characteristics.

⁹⁹ Based on the interview with ABA CEO and materials from Organization of American States.

¹⁰⁰ Based on the interview with ABA CEO and materials from Pisco Family, <http://www.nuestropisco.cl>.

The essential attributes of the new product is based on the Maquiberry drink product itself. The specifics of the Maquiberry are as follows:

- Maquiberry is also known as Chilean Wineberry.
- It is used to develop color of Chilean wine and also to produce jam and dyes from black and blue coloring.
- It helps easy digestion, increase of stamina, and eliminates toxins and wastes from human body.
- Its controlling one's appetite could have a diet effect.
- Ant-oxidant effect of Maquiberry appears to be strong. Maquiberry is recorded at highest score among berries in anti-oxidant effect when tested through Oxygen Radical Absorbance Capacity(ORAC)¹⁰².
- It is known that it controls aging, prevents from heart disease and cancers, cures allergy, and helps metabolism of carbohydrate.
- Chilean native tribe, Mapuche has been taking Maquiberry in order to cure disease.
- It is being emerging as 'super fruit', 'super berry' in the United States. There are currently Maquiberry juice and dietary supplement products in the US market.
- On the other hand, it is not known in target markets, including Chilean local areas.

<Table 25> Key factors from environment analysis

| Key Factors from Environment Analysis | | |
|--|--------------|---|
| ABA | Advantages | <ul style="list-style-type: none"> - Located in Elqui Valley, representing features of the region and products. - Owns 4 product lines and its launched brand, "PISCO ABA", "Fuegos." - 60% of its sales relies on export. - Strength in internal communication between the employer and employees. |
| | Disadvantage | - 100% handiwork |
| Maqui berry | Advantages | <ul style="list-style-type: none"> - Scientifically superior (anti-oxidant, curing allergy, helping metabolism) - Has history with a traditional tribe |
| | Disadvantage | - Lacks awareness in target markets |

¹⁰¹ Pisco is colorless or yellowish colored grape brandy produced in winemaking regions in Chile.

¹⁰² ORAC-H Value of Maquiberry is 27,600 per 100g, of Acaiberry is 16,700.

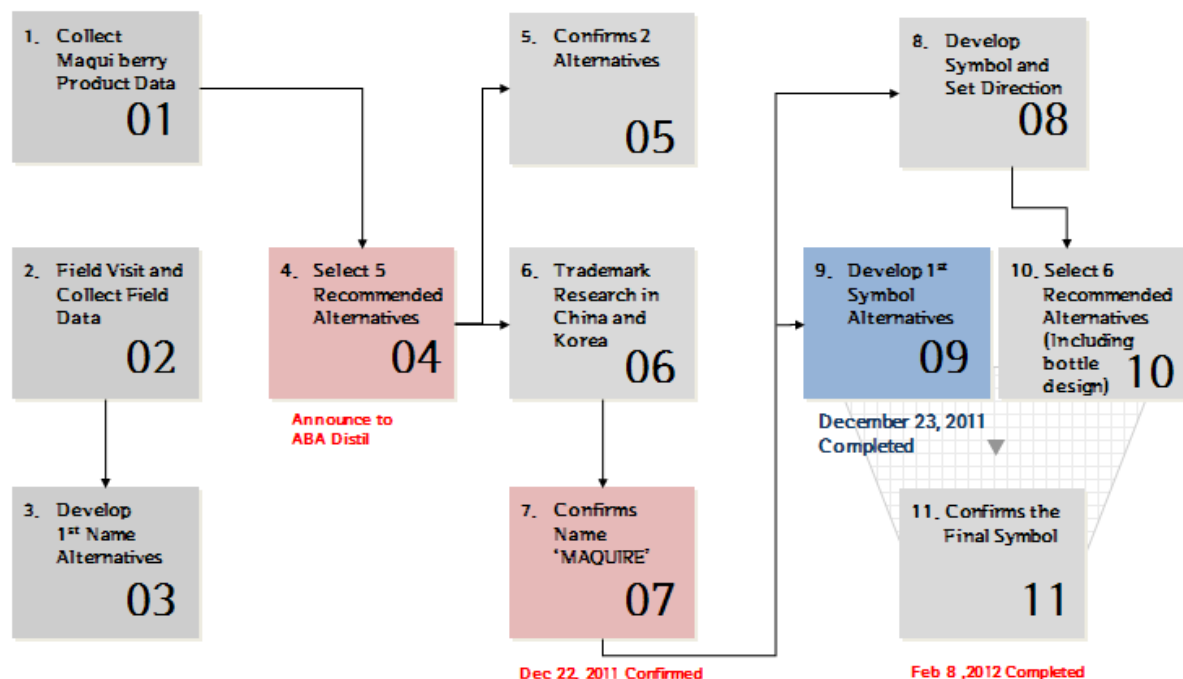
(3) Brand Development Outline

1) Brand Development Direction

Through depth interviews and discussions during the first visiting research, it is agreed to develop a product brand name, symbol and a bottle design at the CEO's request. The additional work for package (bottle) design takes relatively much time compared to naming and designing a symbol. However, it is decided to provide the work because the CEO at ABA has been passionate throughout the whole process and also it is within the original purpose of this project

2) Brand Development Process

The initial goal was to develop name and symbol, and the name is confirmed as [MAQUIRE] after some modifications upon experts' recommendations and ABA's feedback. A brand development for ABA is completed as follows:







<Figure 40> Brand Name and Symbol Development Process for ABA Marquiberry Drink

(4) Brand Name Development

1) Maquiberry Products related Name Analysis

Maquiberry products are now only limited to juice and supplementary products. Examples of Maquiberry products that are currently distributed in the US market are as follows:

<Table 26> Marquiberry Products Related Names

| | |
|---|---|
|  | <p>Name The Patagonian Maqui Juice</p> <p>Product Nutritional drink</p> <p>Blend of aloe vera, ionic sea minerals, resveratrol, <u>maqui berry</u>, blueberry, cranberry, bilberry, raspberry, elderberry and strawberry</p> <p>This isn't 100% Maqui Juice but they still uses the name 'Maqui' because it is the most valuable fruit and it makes something to talk about. They also writes 'Patagonian' to make the the product very Authentic</p> |
|  | <p>Name Maqui Superberry (by Novelle)</p> <p>Product Nutritional drink</p> <p>Blend of <u>maqui berry</u> concentrate, <u>maqui seed</u> extract, elderberry concentrate, blackberry concentrate, raspberry concentrate</p> <p>Also not 100% Maqui Juice but they still uses the name 'Maqui' and its nickname 'Superberry'. And they made a logo of 'Organic' to give people some faith. (but somehow they don't use that anymore)</p> |
|  | <p>Name avia_pronounced as 'aye vee aye' (by Synaura)</p> <p>Product Liquid Supplements</p> <p>(They don't want to be called as 'Juice' or 'Beverage') Mix of bacopa monnieri, curcuminoids, green tea extract, astaxanthin, resveratrol, grape seed extract and <u>maqui berry</u></p> <p>The name 'avia' in Latin meaning to 'take flight' – a supplement that takes a higher ground, or is elevated, based on new science and can stand above all the competition.</p> |
|  | <p>Name MONA.VIE</p> <p>Product Health Juice Energy Blends Weight Solutions Mix of many healthy fruits</p> <p>The name indicates that it has something to do with 'Life'. Even in their websites, their main communication slogan is "A more meaningful life"</p> |

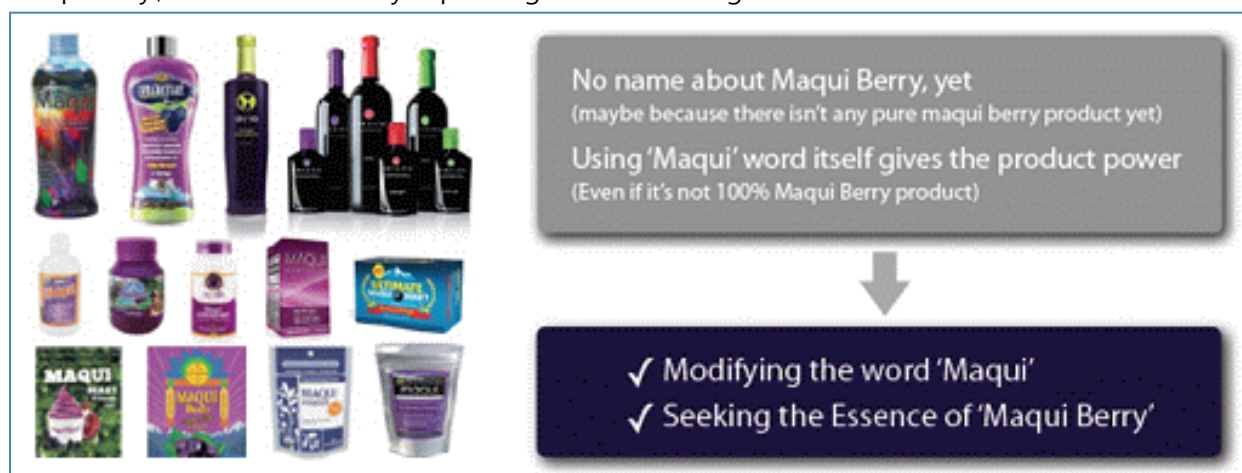
In addition to the beverages, there are some dietary supplements based on the healthy characteristics or image on marqui berries as <Figure 41>.



<Figure 41> Marquiberry Products

2) Name Analysis Result

As you can see the previous section, the Maquiberry name itself seems to be a favorite choice to apply on Maquiberry products. A number of related products have 'Maqui' or 'Maquiberry' on their packaging. However, following examples more focus on the essence and attribute of 'Maquiberry', rather than directly expressing and mentioning the word.



<Figure 42> Name Analysis Summary

3) Keywords Extraction for Naming

<Table 27> Keywords Extraction for Naming

| Keywords | Descriptions |
|---|---|
| PURPLE: Purple as a main color of Maquiberry and as means showing nobility and health | <ul style="list-style-type: none"> - Purple Purpura, Morado, Pourpre, Violet, Lila, Porphura, Konoll(mapu.) - Amaranthine, Amethyst(SiO₂), Lilac, Magenta, Heliotrope - King, Royal, Regal, Crown, Royal Purple - Deep Purple, Dark Purple |
| SUPER: Primarily intended concept of Maquiberry, directly applied based on the reputation as 'Super fruit' in the US market | <ul style="list-style-type: none"> - Scared, Sacra, Holy, Santo - Super : Marvelous, Divine, Superior, Wonderful, Supreme - Infiniti : Absolute, Limitless, Invincible - Beyond : Above, Ahead, Over the Top, Hyper - Blockbuster - Alto(High in Spanish) |
| ENERGY: Represents power of Maquiberry | <ul style="list-style-type: none"> - Zing, Birr, Pizzazz, Zap - Vie, Vita, Vitae - Dash, Zeal, Zest, Vivacity, Vitality - Brio, Gusto, Spirit, Vigor - Warrior, Champion, Hero, Player - Zoetic, Charisma, Moxie |
| DEITY: Expresses Maquiberry's medical benefits, such as an anti-oxidant effect | <ul style="list-style-type: none"> - Brvo, Lenus, Sirona - Heka - Aceso, Aegle, Apollo, Chiron, Hygieia, Panacea - Lxchel - Angitia, Bona Dea, Cardea, Pilumnus, Vejovis |
| ALCOHOL: Reminds that ABA's new product is alcoholic product | <ul style="list-style-type: none"> - Alky, Hootch, Elixir - Broth, Booze, Drink - Firewater, Red-eye, Moonshine - Spirits, Aqua Vitae, Liquor, Intoxicant |
| Maquiberry: Directly expresses and emphasizes Maquiberry, as a main base material | <ul style="list-style-type: none"> - Aristotle Chilensis - Maqui = Berry - Chilean wineberry, maquei, queldron, ach, koelon, and clon - Mapuche(Earth People) - Valdivian, Patagonia |

4) Recommended Names and Final Name Selection

Based on the research, internal discussions, and reviews from trademark experts, following 5 alternatives are recommended and delivered to ABA Distil. Then, the final name [MAQUIRE] is chosen through discussion with ABA CEO, employees and IP attorneys. Of course, IP attorneys have checked registered trademarks and negative meaning in the words.

<Table 28> Recommended Names

| Recommended Name | Description |
|---|--|
|  | <ul style="list-style-type: none"> - Name: NEWEN - Source: [Mapudungun] Newen, Nahuen : Power, Strength - Comment: Describes the attribute of the Maquierry, which gives power and strength to Mapuche Indians for a long time. Could achieve authentic meaning, by using their own language for naming. Creates stability and symmetric structure ('W' and 'M' expresses the same letter, by putting the letter upside down. 'NE' and 'EN' read the same from forward and backward). 'M' letter is an initial for 'Maqui'. |
|  | <ul style="list-style-type: none"> - Name: MAQUIRE - Source: MAQUI + AGUIRRE (Family Name) MAQUI + ACQUIRE / ESQUIRE - Comment: Conjoined the words of 'Maqui' and 'Aguirre'. Being pronounced as 'mækwaɪər' Sounds sophisticated and classy. |
|  | <ul style="list-style-type: none"> - Name: MAQ - Source: MAQUI shortened to MAQ - Comment: Expresses strength and confidence as a very first Maqui berry alcoholic drink. Simple but powerful. Easy to pronounce and straight-forward. Three letters complete a modern and classic look. |
|  | <ul style="list-style-type: none"> - Name: AMAQUIST - Source: AMETHYST(AMATISTA) + MAQUI - Comment: Amethyst, as a famous gem and beautiful purple color. Adds nobility, when matching Maquiberry to mystic purple gem. In addition, ancient Greek believed that Amethyst is a gem that represents health. |
|  | <ul style="list-style-type: none"> - Name: POWPLE - Source: Powerful + Purple - Comment: Simply expresses power of purple. |



<Figure 43> Final Name Selection

(5) Symbol and Bottle Design Development

1) Design Motifs

Symbol and bottle designs are developed based on several design motives. Such motives are extracted through associated images with Mapuche, purple color, and medical benefits of Maquiberry. Reflecting five images, a symbol design is developed for the new product brand [MAQUIRE].



<Figure 44> Design Motives for Symbol Development

2) Recommended Design Alternatives

Based on feedback and discussion with design experts, Geun Na, a professor from Hongik University and Jaeil Jang, a designer and a CEO of BRN Christmas (both are in Korea), the following 6 symbol designs are chosen.



<Figure 45> Recommended Bottle Design Alternatives

3) Final Symbol Design

Both of [MAQUIRE] symbol and bottle designs are simultaneously proposed by applying on a bottle in order for ABA to easily image the final product.



<Figure 46> The Final Symbol Design on a Bottle

(6) IP Protection Strategy on MAQUIRE

A trademark registration for MAQUIRE is now in progress in Chile and an application in Korea is being prepared; however, there are several concerns when developing new products with MAQUIRE

Currently, ABA's MAQUIRE mostly focuses on a fruit Pisco beverage, but it might be required to include other types of products or services upon additional needs or a change in trend. Applicable product and service categories for a trademark registration are as follows:

<Table 29> Product Class for Trademark Registration¹⁰³

| # | Category | Class | Sub products/services | Relevance |
|---|----------|-------|--|-----------------|
| 1 | Goods | 30 | Coffee, Tea, Cocoa and Substitute Coffee, Rice, Tapioca Sago, Grain Powder and Grain Product, Bread, Snack | Relevant |
| 2 | Goods | 31 | Grain Agricultural, Gardening, Forestry Product, Live Animal, Fresh Fruit and Vegetable, Seed, Natural Plant, Forage, Malt | Relevant |
| 3 | Goods | 32 | Wine, Beer, Mineral Water, Carbonic Water, Fruit Drink and Juice, Syrup, Manufactured Product for Drink | Highly Relevant |
| 4 | Goods | 33 | Alcoholic Beverage (Not Beer) | Highly Relevant |
| 5 | Services | 35 | Alcoholic Beverage, Beverage, Wine Wholesale/Retailer | Highly Relevant |

Also, an additional trademark registration is required for product code 33. ABA needs to consider a trademark registration on similar brand names in order to prevent imitations to distract or lower the value of MAQUIRE brand. Also, its brand portfolio might require applications on additional product codes beside code 33; however, MAQUIRE is recommended not to be used as many different products' brands because consumers could be confused and distracted in recognizing the original brand identity.

¹⁰³ Referring to NICE Classification 10th Edition.



<Figure 47> Plans to Protect Intellectual Property of MAQUIRE

(7) Brand Competitiveness Enhancement Strategy

There are some conditions to carry out this pilot project including the following: [MAQUIRE] must be a fruit alcoholic beverage and not be included in the existing product category, and the following brand competitiveness enhancement strategy mostly focuses on marketing plans in Republic of Korea as CEO of ABA intends to enter into Korean market.

1) Positioning and Consumers

MAQUIRE will be sold at 12% alcohol. The most similar category appears to be a fruit wine or a rice wine in Korea. They are generally positioned and communicated to consumers in 40s to 50s who do not like strong alcohol but want to enjoy dining and drinking atmosphere.

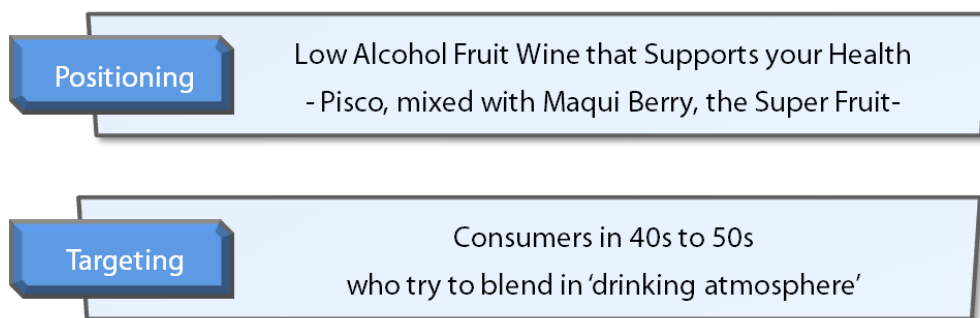
- ABA Distil primarily intended to position MAQUIRE as a casual drink, targeting 20s to 30s. Comparing the attributes of the product; however, it can be hardly positioned in beer category (5%) with 12% alcohol.
- In many occasions, major consumers of low alcoholic beverages do not feel comfortable with taking high level alcoholic consumption. Therefore, it is difficult to be positioned in a beer (low alcoholic drink) category and succeed therein, however must be monitored in order to expand target markets.
- In Korean alcoholic beverage market, a fruit wine (Matchsoon, Bokbunja, Baeksaeju, and Sansachun) with low alcohol (15%) and Makgeolli target niche markets where such drinks are considered to be premium.
- There is an increase in sales of cocktail drinks, mixed vodka or whisky and juice or iced soda among female drinkers. Female consumers who enjoy soft alcohol drinks could be considered as another target category.

- Qualitative benefits can be promoted through marketing mix, and emotional factors through additional communication strategy.

Attributes of MAQUIRE include sweetness, benefits for health, and it also smooth even though Pisco, the main ingredient, is a high level alcohol (35%~40%). By looking at features of MAQUIRE and tendency of consumers in Korea, it appears to be appropriate for positioning MAQUIRE to consumers in 40s to 50s for brand communication.

2) Pricing and Distribution

Pricing depends on which distribution channels are selected since Republic of Korea has entered into Free Trade Agreement(FTA) with Chile in 2004. Therefore, the significant factor in pricing is fixing factory prices from Chile.



<Figure 48> Positioning and Targeting of MAQUIRE

In Republic of Korea, a few major drink manufacturers in production and sales dominate domestic alcohol beverage market. For that reason, it is recommended for ABA as a supplier to establish OEM production and make a delivery agreement¹⁰⁴ with one of the two manufacturers, rather than creating own distribution channel.

OEM agreement could hardly be established, especially with MAQUIRE brand name on, another alternative is to create partnership with a local wholesale dealer for stable distribution process. In that case, ABA takes charge of production and communication, and the wholesale dealer takes care of distribution and promotion. Between the two, CEO of ABA expressed his intention to work with a Korean distributor.

Even though ABA takes either one of the distribution plans stated below, it is still necessary to review retail prices of the products that fall in similar product categories in the market prior to estimating MQUIRE's factory price.

¹⁰⁴ Brand must remain as MAQUIRE.



<Figure 49> Distribution Alternatives in Republic of Korea

As stated below, the average retail price of Matchsoon and Bokbunja (fruit wines in Korea) is around 5,500 won except for Gyeongjubeupju. Pricing MAQUIRE must be based on the consideration of brands in the similar category.

<Table 30> Retail Price of Products in Similar Category

| Brand | Category | Volume | Alcohol % | Retail Price |
|----------------|------------|--------|-----------|----------------|
| Matchsoon | Fruit Wine | 375ml | 14% | ₩5,000 ~ 6,000 |
| Bokbunja | Fruit Wine | 375ml | 15% | ₩5,500 |
| Gyeongjubeupju | Rice Wine | 375ml | 13% | ₩4,000 ~ 5,000 |

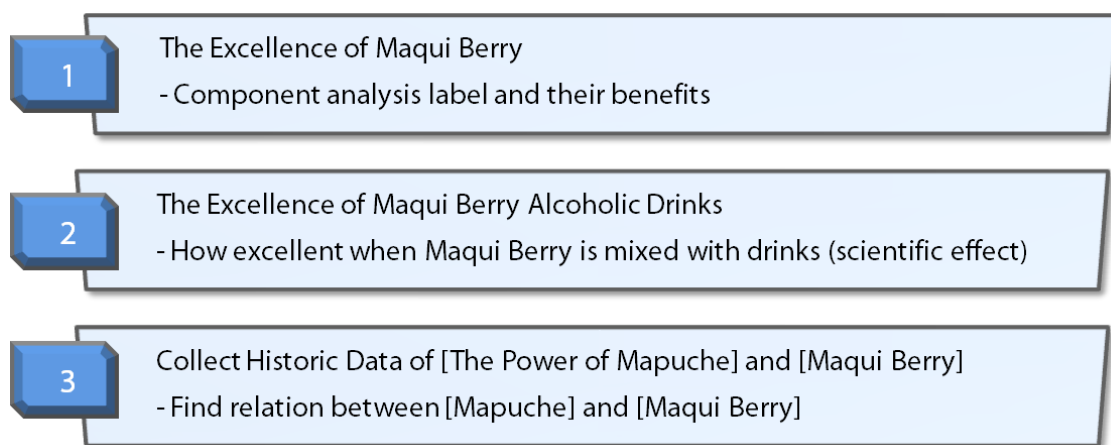
3) Storytelling Communication

In Korean market, Bokbunja wine delivered profit growth when it is being known for its healthy characteristics. It seems to be promising when communication focuses on superiority of Maquiberry in health and it appeals the benefits to consumers in 40s to 50s who enjoy healthier soft drinks at dinning.

ABA is recommended to concentrate on benefits of Maquiberry for a while, rather than the brand MAQUIRE. ABA first needs to find scientific data and articles regarding excellence of Maquiberry that have been proved or announced by institutions with high authorities. The data and articles

should be applied for a part of Maquiberry's communication contents. Its strategies are similar to those of ANJI Bamboo Fiber.

Average life expectancy is getting longer, people desire to live in a healthy condition. ABA could use the fact that Mapuche have been an icon of health and they used to eat this berry in curing disease and maintaining their health. And ABA could imply a message such as 'their health is what exactly people need today'. In order to support the idea, providing solid scientific or historical data is a prerequisite. Such communication normally is cost-effective and it also gives efficiency.

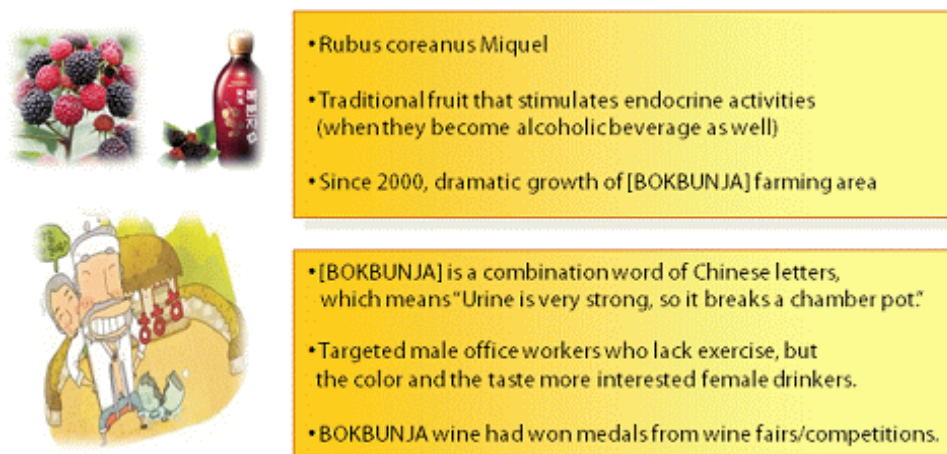


<Figure 50> Storytelling Communication Plans

Competitiveness of MQUIRE could change depending on types of communication even with scientifically proven superiority of the product.

- ABA is recommended to find the unique part that it intends to emphasize in the target market. The process requires advices from a communication expert on how to create and develop the story.
- ABA is now completely agreeing with communicating through emphasis on certain components or features. However, it seems helpful to conduct storytelling plans when the product itself is difficult for consumers to distinguish or grasp certain characteristics in terms of taste.
- Storytelling communicates through emotional factors besides qualitative factors. This process is required, especially, when the qualitative factors are highly rated.

Bokbunja wine's marketing and promotion in Korea is one case that ABA is required to refer to. Bokbunja and MAQUIRE seem to be in similar category in terms of the features of ingredients. Bokbunja wine was first communicated through a story, which carries a message 'Bokbunja fruit gives enough energy for the elder and they can recover their physical strength, even at his age.'



<Figure 51> [BOKBUNJA] Story Telling Summary

In addition, 'Windsor' is a successful example of storytelling marketing, combining a movie and a commercial as 'movercial'. 'Movercial' succeeded in delivering entertainment contents, which could be shared and enjoyed by consumers.

- 'Movercial' is an effective PR marketing method that combines a movie and an advertisement, introducing core value of certain brand or product to get close to consumer's emotion.
- 'Movercial' also motivates increase in brand awareness and preference.

Besides, OB 'Cass' is a first brand in Korean alcoholic beverage market, editing 'music video' for its TV commercial. 'Twin wine' and Italian Rose sparkling wine 'BAVA Rosetta' from LG are other examples that employ storytelling marketing.

4) Other Marketing Plans

MAQUIRE is a new type of alcoholic beverage to the world market, therefore it needs participation in international wine fairs in order to introduce its product category and improve its reputation. International wine fair is considered as an effective marketing and promotional method in reading a trend, creating positive relationship with other participants, and introducing their products to consumers and distributors as well. By 2011, registered alcoholic beverage categories in international wine fairs are beer, whisky, wine, Soju, and others. Thus, MAQUIRE can participate in 'others' category and ABA can promote its brand to alcohol producers, distributors, and consumers.

Also, ABA may consider developing dishes that goes well with MAQUIRE and constant promotion of the combination. For example, consumers now associate wine with cheese or fresh ham, beer with peanuts, and Soju with hot soup. Thus, it is also significant to develop and promote one or two kinds of dishes to enjoy when drinking MAQUIRE.

VII. Project Evaluation

A survey was conducted after providing seminars, brand naming/logo and consultations about intellectual property rights, utilizing brand and its strategy. In China, fifteen presidents in Association have participated in this survey, and five of them are women. In Chile, six people including a president and employees of the company answered the survey questionnaires, and four of them are women employees. The survey questionnaires designed are based on the five criteria of APEC project in the following: 1) Relevance; 2) Effectiveness; 3) Efficiency; 4) Impact; and 5) Sustainability.

1. China: Anjian Bamboo Fiber

| RELEVANCE | | | | | | |
|---|---|---|---|---|----|------|
| Questions | 1 | 2 | 3 | 4 | 5 | Avr. |
| 1. How valid was the seminar and brand development in your business? | | | | 1 | 14 | 4.8 |
| 2. Does this project meet the need of Anji Bamboo Fiber Association? | | | | 1 | 14 | 4.8 |
| 3. Do you agree that branding is a useful tool for helping local producers and community? | | | | | 15 | 5 |
| 4. To what extent, the branding output (logos and designs) will improve your business condition? | 1 | | 1 | 3 | 10 | 4.4 |
| 5. Do you extent your knowledge of IP forms (trademark, collective mark, and so forth) | | | | 1 | 14 | 4.8 |
| EFFECTIVENESS | | | | | | |
| 6. How well organized the branding seminar? | | | | 2 | 13 | 4.8 |
| 7. How effectively have you communicated between the Associations' members and the APEC experts' group? | | | 1 | 3 | 11 | 4.7 |
| 8. What do you learn from this project? (tick as many boxes as you wish) | | | | | | |
| Importance of Brand Development | | | | | | 15 |
| IP Tools (Trademark, Collective mark etc.) | | | | | | 15 |
| Producers' Cooperation | | | | | | 15 |
| Roles of Association | | | | | | 14 |
| Importance of Product Quality Control | | | | | | 12 |
| Marketing Strategy | | | | | | 13 |
| 9. Do you think this project will enable your business to increase the income? | | | 6 | 5 | 4 | 3.9 |

| EFFICIENCY | | | | | | |
|---|--|--|---|---|----|-----|
| 10. How clearly conveyed the messages during the seminar and discussion? | | | 1 | 1 | 13 | 4.8 |
| 11. How well have you made a consensus on brand development? | | | 2 | 7 | 6 | 4.3 |
| 12. Do you believe the applied IP form is adequate? | | | 3 | 5 | 7 | 4.3 |
| IMPACT | | | | | | |
| 13. Are you willing to utilize the brand outcome (logo and design) after the project? | | | | 2 | 13 | 4.8 |
| 14. Do you have plans to apply the brand strategies instructed? | | | | 9 | 6 | 4.4 |
| 15. Have you increased the recognition of the importance of IPRs? | | | | 1 | 14 | 4.8 |
| SUSTAINABILITY | | | | | | |
| 16. Do you think brand outcomes are continuously helpful after the project completion? | | | 1 | | 14 | 4.8 |
| 17. Do you want further supports or future partnership? | | | | | 15 | 5 |
| Comment <ul style="list-style-type: none"> ✓ Thank you for your supports! I hope the brand "Anjian" would enhance the value in the market ✓ Need more communication before face-to-face communication ✓ It was helpful to increase recognition of global branding ✓ Further cooperation is needed especially in fields of marketing and promotion ✓ How can we make an international brand later on? We need further consultants. | | | | | | |
| Overall: 4.65 | | | | | | |

In case of the pilot project in China, members of Association, presidents of bamboo product business, have actively participated in this project from establishing brand identity and developing its brand logo to discussing branding strategies for their products and Association. Although the overall score is 4.65 ranging from 1 to 5, the survey result shows that the members have recognized the importance of branding and its legal protection via seminars, meetings and consultations. In fact, an attorney at law of China has been actively involved throughout the whole project including registering their branding output.

2. Chile: A Maquiberry Alcoholic Beverage

| RELEVANCE | | | | | | |
|--|---|---|---|---|---|------|
| Questions | 1 | 2 | 3 | 4 | 5 | Avr. |
| 1. How valid was the seminar and brand development in your business? | | | | | 6 | 5 |
| 2. Does this project meet the need of ABA Distil? | | | | | 6 | 5 |
| 3. Do you agree that branding is a useful tool for helping local producers and community? | | | | | 6 | 5 |
| 4. To what extent, the branding output (logos and designs) will improve your business condition? | | | | | 6 | 5 |
| 5. Do you extent your knowledge of IP forms (trademark, collective mark, and so forth) | | | | 1 | 5 | 4.8 |
| EFFECTIVENESS | | | | | | |
| 6. How well organized the branding seminar? | | | | 1 | 5 | 4.8 |
| 7. How effectively have you communicated between the ABA and the APEC experts' group? | | | | 1 | 5 | 4.8 |
| 8. What do you learn from this project? (tick as many boxes as you wish) | | | | | | |
| Importance of Brand Development | | | | | | 6 |
| IP Tools (Trademark, Collective mark etc.) | | | | | | 6 |
| Producers' Cooperation | | | | | | 3 |
| Roles of Association | | | | | | 3 |
| Importance of Product Quality Control | | | | | | 4 |
| Marketing Strategy | | | | | | 5 |
| 9. Do you think this project will enable your business to increase the income? | | | | 1 | 5 | 4.8 |
| EFFICIENCY | | | | | | |
| 10. How clearly conveyed the messages during the seminar and discussion? | | | | | 6 | 5 |
| 11. How well have you made a consensus on brand development? | | | | 1 | 5 | 4.8 |
| 12. Do you believe the applied IP form is adequate? | | | | | 6 | 5 |
| IMPACT | | | | | | |
| 13. Are you willing to utilize the brand outcome (logo and design) after the project? | | | | | 6 | 5 |
| 14. Do you have plans to apply the brand strategies instructed? | | | | | 6 | 5 |
| 15. Have you increased the recognition of the importance of IPRs? | | | | | 6 | 5 |

| SUSTAINABILITY | | | | | | |
|--|--|--|--|--|---|---|
| 16. Do you think brand outcomes are continuously helpful after the project completion? | | | | | 6 | 5 |
| 17. Do you want further supports or future partnership? | | | | | 6 | 5 |
| Comment <ul style="list-style-type: none"> ✓ To work with an extraordinary group so experimented in the subject of brand creation and the presentation of a new product. ✓ The creation of a brand is a dynamic process and technical skills as the combination of the spirit and culture of the company itself. ✓ It is very pleased to meet experts group. More importantly, the community should be grown with this project. I feel proud to have participation in this project. ✓ We have got a lot better with this project and I hope that this product gets a good positioning in the market. We keep going on it as having sustainable guideline as time gone by. | | | | | | |
| Overall: 4.93 | | | | | | |

In case of project in Chile, the overall score is 4.92 ranging from 4 to 5. The survey result shows that the members have recognized the importance of branding and its legal protection via seminars, meetings and consultations. In fact, the whole staffs in the company have actively participated presenting ideas and opinions regarding their new product and its brand name. Moreover, the president of ABA has been eager for exporting their goods abroad including Korea upon this opportunity.

VIII. Conclusion

APEC has recognized importance of utilizing IPRs to promote foreign trade and investment, and this project aims to provide an awareness of importance of intellectual property rights and its utilization via brand development in China and Chile.

In fact, while conducting this APEC one village one brand project, it is found that members of Association and ABA have recognized importance of brand, its strategic use through IP tools via actual brand development, education sessions, meetings and consultations. Also, the brand logos created are expected to be registered and used in real business world domestically and internationally as well.¹⁰⁵

¹⁰⁵ They have filed their logos for trademark registration in Korea, USA, and their own country.

In addition, a strategic branding guideline has been studied to effectively conduct the branding project in developing economies or least developed economies, because such cooperation requires specialized knowledge from selecting a target product or a target producer to obtaining legal rights over the brand. Among other things, the success depends not only on technical skills or finances of a donor economy, but also on a willingness, legal and/or social infrastructures and capabilities in a beneficiary economy.

Thus, there are some considerations as follows: 1) Often, there might be some difficulties in collecting market information or demand forecasting from insufficiencies in terms of a technical, economic or institutional aspect in beneficiary economies. So it is recommended to cooperate with regional experts for collecting vivid data, rather than statistical or physical data. 2) Economic development level must be considered in developing branding strategies - developing infrastructure and product brand in least developed economies, but managing brands in developing economies. 3) Ultimately, this kind of project must focus on a capacity building in a beneficiary economy not to be just one-off things. Particularly, in this project, the sustainable development may be supported by the said recognition of the importance of branding and IP tools, and by delivering its strategic utilization beyond logo development itself.

It is expected that this guideline and the result of the pilot project can be a good model of economic cooperation between developing and developed economies or international organizations, and, ultimately, the awareness of crucial roles of IPR in promoting trade and investment is expected to spread among APEC member economies by disseminating the outputs from this project.

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Annex1.

Request for the Pilot Project (Round I)

1. Description of the government official in charge

| | | | | |
|--------------------------------|---------------|--|---------|--|
| 1. Name of the official | | | | |
| 2. Address | | | | |
| 3. Contact information | Telephone No. | | Fax No. | |
| | e-mail | | | |

2. Description of the applicant

| | | | | |
|--|---|--|---------|--|
| 1. Name of applicant | | | | |
| 2. Address | | | | |
| 3. Contact information | Telephone No. | | Fax No. | |
| | e-mail | | Website | |
| 4. Function | <input type="checkbox"/> Administration <input type="checkbox"/> Education/Training <input type="checkbox"/> Manufacturing <input type="checkbox"/> Other <div style="text-align: right;">()</div> | | | |
| 5. A short description of your organization | | | | |

3. Information about legal infrastructure for IPR

| | |
|--|---|
| 1. Existence of legal infrastructure | <i>Do you have pre-existing legal infrastructure to protect IPRs such as laws or regulations?</i> <div style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div> |
| 2. Laws and regulations for branding or IPR-application and its description | |
| 3. Relevant organizations | <i>Governmental/non-governmental organizations</i> |
| 4. Relevant government's policies or plans | |
| 5. Legal scheme for producer cooperative's ownership of IPRs | <i>- If there is a producer cooperative, is ownership of IPRs granted to it exclusively?</i> <i>- If not exclusive, scope of the ownership:</i> <i>- If no producer cooperative, are you considering exclusiveness of IPRs on it?</i> |
| 6. Any characteristics to concern (in your economy's legal system) | |
| 7. Willingness to establish IPR-related laws and polices | <i>If you have not established law of IP in your economy, are you willing to make the law in the near future?</i> <input type="checkbox"/> Yes <input type="checkbox"/> No |

4. Information about the local product for branding

| | |
|------------------------------------|--|
| 1. Product name | |
| 2. Industry | <input type="checkbox"/> Food product <input type="checkbox"/> Beauty product <input type="checkbox"/> Textile/Clothing <input type="checkbox"/> Health Product <input type="checkbox"/> Mineral product <input type="checkbox"/> Office Supplies <input type="checkbox"/> Paper product <input type="checkbox"/> Rubber & Plastics <input type="checkbox"/> Sporting goods <input type="checkbox"/> Tobacco product <input type="checkbox"/> Toys & Games <input type="checkbox"/> Housewares <input type="checkbox"/> Others () |
| 3. Attachment of the photos | |
| 4. Product description | <p>1) Reputation – <i>Considering code of practice and possible protection of local know how and products as geographical indication, please describe the main physical characteristic of the product</i></p> <p>2) Uniqueness – <i>Please show any relevant indicators of uniqueness which can be specific local resources, quality, history of product, and so forth</i></p> <p>3) Product differentiation / variation – <i>Please describe the product with distinctive element allowing customers or buyers to recognize them and to trace their origin</i></p> |

5. Further information

If you have further information, opinion or anything else, describe them. [less than 1/2 page]

[Applicant]

.....
date / month / year
(Date)

.....
(Name & Signature)

.....
(Title)

[Government official]

.....
date / month / year
(Date)

.....
(Name & Signature)

.....
(Title)

Annex2.

Request for the Pilot Project (Round II)

1. Description of the government official in charge

| | | | | |
|--------------------------------|---------------|--|---------|--|
| 1. Name of the official | | | | |
| 2. Address | | | | |
| 3. Contact information | Telephone No. | | Fax No. | |
| | e-mail | | | |

2. Description of the applicant

| | | | | |
|--|--|--|---------|--|
| 1. Name of applicant | | | | |
| 2. Address | | | | |
| 3. Contact information | Telephone No. | | Fax No. | |
| | e-mail | | Website | |
| 4. Function | <input type="checkbox"/> Administration <input type="checkbox"/> Education/Training <input type="checkbox"/> Manufacturing <input type="checkbox"/> Other () | | | |
| 5. Short description of your organization | | | | |

3. Detailed information about the local product for branding

| | | | |
|---------------------------------|---|--|---|
| 1. Product name | | | |
| 2. Industry | <input type="checkbox"/> Food product | <input type="checkbox"/> Beauty product | <input type="checkbox"/> Textile/Clothing |
| | <input type="checkbox"/> Health Product | <input type="checkbox"/> Mineral product | <input type="checkbox"/> Office Supplies |
| | <input type="checkbox"/> Paper product | <input type="checkbox"/> Rubber & Plastics | <input type="checkbox"/> Sporting goods |
| | <input type="checkbox"/> Tobacco product | <input type="checkbox"/> Toys & Games | <input type="checkbox"/> Housewares |
| | <input type="checkbox"/> Others () | | |
| 3. Places of performance | <p>- <i>Principal regional area:</i></p> <p>- <i>Others (if any):</i></p> | | |
| | <p>- <i>Location within the border line:</i></p> <p>- <i>It takes ____ hours from the international airport by _____.</i></p> | | |

| | |
|--------------------------------|--|
| <p>4. Marketability</p> | <p><i>* Please present (attach) the empirical results on market demands for the products (if applicable).</i></p> <p>- Cost of the product (if applicable, \$): 2008 _____ 2009 _____ 2010 _____ 2011 _____</p> <p>- Retail price of the product (if applicable, \$): 2008 _____ 2009 _____ 2010 _____ 2011 _____</p> <p>- Current market size (\$/year): (Exported? <input type="checkbox"/> Yes <input type="checkbox"/> No)</p> <p>- If exported, list of countries which import it:</p> <p>- Product growth potential (\$/year):</p> <p>- Target Group:</p> <p>- What Percentage of industry in the nation or in the target local community:</p> <p>- Description of supply chain:</p> <p>- Market trend</p> <p><i>* If the empirical results on market demands are not available, please submit the relevant statistics and information for forecasting the demands.</i></p> <p><input type="checkbox"/> Statistical/econometric/survey results (Please attach the details including the methodology)</p> <p><input type="checkbox"/> Relevant statistics and information (e.g., 5-year of sales of the product and determinants)</p> |
|--------------------------------|--|

4. Local information

| | |
|---|--|
| 1. Language | <i>Primary:</i> <i>Secondary:</i> |
| 2. Population | - <i>In your whole Economy:</i> - <i>In your regional area for the product:</i> - |
| 3. Religion | - <i>List three major religions in your economy or regional area:</i> 1) 2) 3) |
| 4. Political & Social Situations | - <i>If any, describe dangerous conditions for conducting this project:</i> |
| 5. Environments for female researchers | <i>If some restrictions on female's social activities, describe them:</i> |
| 6. Weather condition | - <i>Describe the weather condition, shortly, including Temperatures and Rainfall:</i> |
| 7. Communication channels <i>(Mark all utilities commonly available at local residences)</i> & Other infrastructures | <input type="checkbox"/> Telephone <input type="checkbox"/> LAN <input type="checkbox"/> Wi-Fi <input type="checkbox"/> Mobile Phone <input type="checkbox"/> Television <input type="checkbox"/> Fax <input type="checkbox"/> Electricity (_____ Volts _____ Hz) <input type="checkbox"/> Other (_____) - <i>Major means of transportation</i> |
| 8. Researchers' Health-related issues | - <i>Vaccinations required (if any):</i> |
| 9. Other information to adapt the local environments | - <i>If any, prior notice or suggestive comments to researchers as aliens:</i> |

5. Further Information

If you have further information, opinion or anything else, describe them. [less than 1/2 page]

[Applicant]

.....
date / month / year

(Date)

.....
(Name & Signature)

.....
(Title)

[Government official]

.....
date / month / year

(Date)

.....
(Name & Signature)

.....
(Title)