

# The State of Dutch Branding

**Interbrand's 2009 Survey of Branding and  
Marketing Professionals in the Netherlands**

Creating and managing  
brand value™

Interbrand

In last year's 10th anniversary of the Best Global Brands study we uncovered an unsettling trend:

**Dutch brands are declining in value while brands from nearly every other European country are growing in value.**

We wanted to find out why.

The answers are in this report, an original study of over 350 branding and marketing professionals in the Netherlands. It is an investigation, a "health check", into the state of branding in the Netherlands.

The results are surprising.

Curious?

# Executive Summary

1. According to Dutch brand marketers, the state of **branding in the Netherlands is healthy**, with engaged organizations, supportive management, and a clear link of brand to business strategy.

2. Yet, deeper examination reveals that **branding in the Netherlands is resting on a shaky foundation**. Few Dutch brand managers are using even the basic tools and processes to manage their brands.

3. **Exceptions exist**. Strong Dutch brands like Philips and Randstad provide clear examples of how brands can and should be managed.

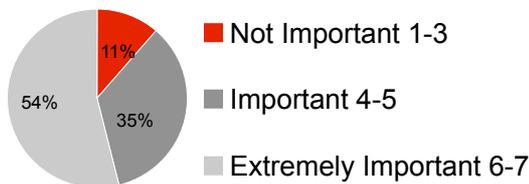
4. Dutch brand managers are leaving massive amounts of economic value on the table.

**The opportunity to strengthen Dutch brands is extraordinary.**

# 1. According to Dutch marketers: Branding in the Netherlands is healthy

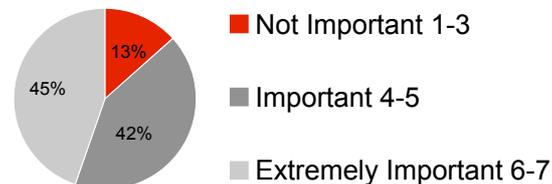
Dutch marketers believe their brand is central to key operations within their business. Combined with their "complete understanding" of how brands create value and closely related brand and business strategy, branding in the Netherlands appears to be healthy.

## "My brand is (extremely) important for business growth"



Among the management of your company, how important is the brand(s) to future business growth?

## "Branding is (extremely) important to my executive board"



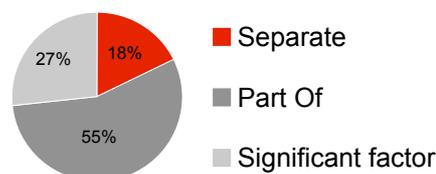
In your opinion, how important is branding and brand management to the executive board/level management of your company?

## 85% of Dutch marketers have (complete) understanding of how brands create value



Within your organization, how much understanding is there of how brand(s) can create economic value for the organization?

## "My brand strategy is closely related to my business strategy"

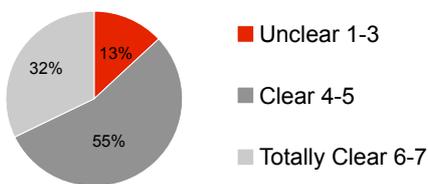


How closely related are the brand strategy and business strategy of your company?

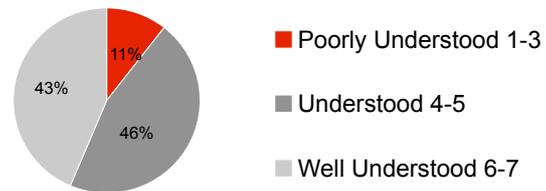
## According to Dutch marketers: Branding in the Netherlands is healthy

“My core brand idea is  
clear to my customers...

...and well understood by  
my employees”



In your opinion, how clear is this core brand idea to customers?



In your opinion, how well-understood is this core brand idea within your company?

*Quotations are illustrative of the data*

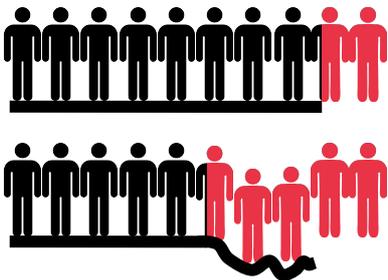
It appears that the practice of branding in the Netherlands is robust. Supportive management, engaged employees, influential and clear brands aligned with business strategy and integrated with operations.

**It all seems perfect.**

Too perfect? Are Dutch brands really so well managed?  
Or is there more to the story?

## 2. Deeper examination: Branding in the Netherlands is resting on a shaky foundation

There appears to be a 'knowledge gap' among Dutch marketers.

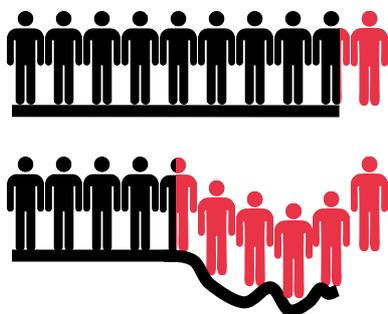
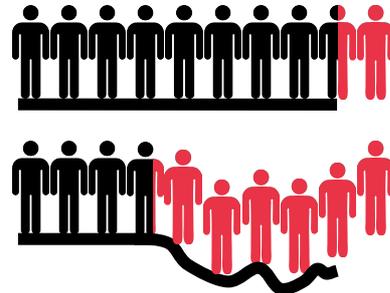


YES, **83%** of the brand managers in the Netherlands say that their brands influence customer choice

BUT only **53%** survey customers about the brand

YES, **85%** of brand managers in the Netherlands say they know how brands create economic value for their organizations

BUT only **37%** value their brands financially or measure the return on brand and marketing investment



YES, **89%** of brand managers in the Netherlands believe they have articulated a clear, core brand idea and that it is well understood within their company

BUT, only **44%** survey employees about the brand

Confidence is high but few marketers have the data to back it up. It may be that these Dutch brands are strong, it may be that they are weaker than we think. The point is: we can't be sure because many **managers lack the brand intelligence required to build strong brands.**

## **Deeper examination: Branding Basics**

In order to understand if Dutch Brands are in deed well managed we first needed to know if Dutch brand managers are doing the basics.

### Three basic building blocks of strong brands

#### **1. Defining a core brand idea:**

Winning brands have a clear reason for being: A credible, relevant, and distinct proposition. The proposition should reflect what the organization can as well as its aspiration. It must meet customers where they are today but also stretch to seize future competitive opportunities. Strong brands have articulated this idea and use it to guide decision making.

#### **2. Setting brand standards:**

With a core idea defined, strong brands bring the idea to life in everything they do. Core brand values are communicated internally and externally, and are delivered at every customer touchpoint. Bringing the brand to life is executed in part by a company's development and adherence to brand standards, as these standards ensure that the holistic activities of the company serve to represent the brand in the marketplace.

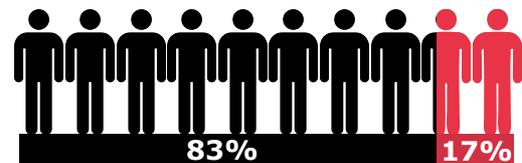
#### **3. Surveying customers on brand issues:**

Nearly every strong brand is obsessed with customers. These brands know their customers intimately, how/why they purchase and make decisions, what they want from the brand experience, what they think of the brand, why they attach and why they sometimes reject. These companies spend time with customers, surveying them on issues related to the brand.

## Deeper examination: Branding Basics

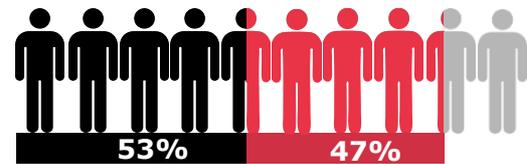
Most Dutch brand managers are not doing the basics required for building strong brands.

We have already seen that **83%** of Dutch brand managers say that their brand has a (high) influence on customers' buying decisions...



Brand influences customers

...of these managers nearly half (**47%**) are **NOT** managing their brands with the basic tools of the trade.



Doing the basics

Not doing the basics

These brand managers recognize that their brands play a role in customer choice, and that customer choice drives revenue and value for the firm. Yet, almost half are not using the basic tools required to steer their brands.

**This isn't just overconfidence; this is dangerous.**

## Deeper examination: The truth comes out

We conducted this State of Dutch branding study to answer why Dutch brands were not growing in value as fast as brands from other countries.

Interbrand conducted the same study globally in 2007, allowing us to make comparisons between Dutch brand marketers and their global colleagues.

A lot has happened during that time – banking crisis, global recession, etc. – but the comparisons are still highly instructive.

## Global brand managers are much clearer about the principles of strong brand management:

Most critical aspects of branding according to brand managers	
Netherlands	Global
1. Authenticity/quality (12%)	1. Consistency (36%)
2. Awareness (11%)	2. Understanding of customer (18%)
3. Clear/transparency (8%)	3. Message/Communication (15%)
4. Consistency (8%)	4. Creative/Design/Brand ID (13%)
5. Marketing/Communication (6%)	5. Relevance (12%)

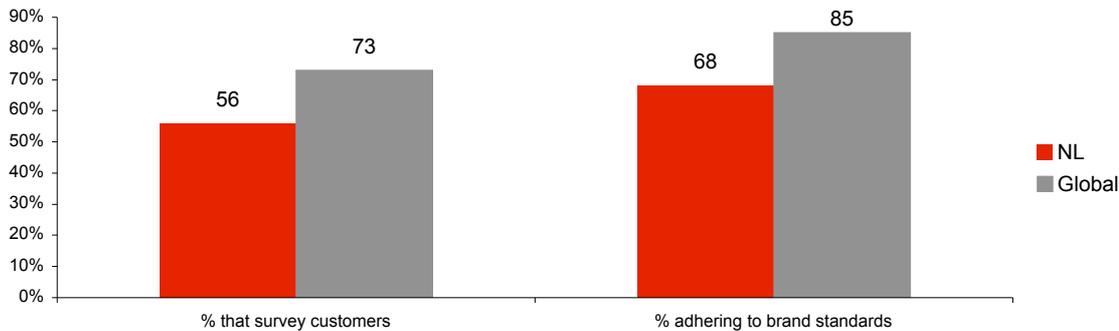
The global group is more agreed than the Dutch group as 36% identified consistency as the top priority while the most agreement among Dutch brand managers concerns the 12% that indicated Authenticity/Quality.

We know from studying the world's best brands that Consistency and Authenticity are both hallmarks of strong brands.

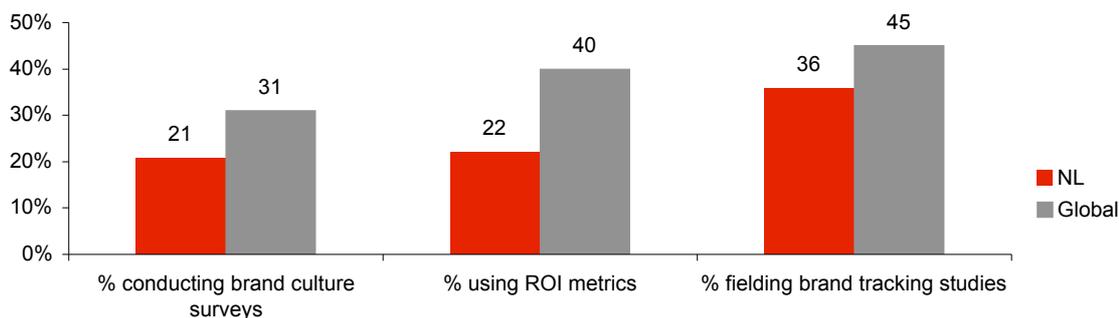
The **global group** is a good example for us: They know what it takes to build strong brands and agree on it.

## Deeper examination: The truth comes out

### Global brand managers are much more likely to do the basics:



### They are also more likely to go beyond the basics and use additional brand management tools:



Perhaps more telling is the degree of support global brand managers believe they should receive.

In the global study, most brand managers indicate that their brands are underfunded (**63%**) while Dutch brand managers are more contented with the funding they receive (only **24%** claim to be underfunded).

Globally, brand managers are already doing more with their brands than their Dutch colleagues and yet the global group is much less satisfied with the funding they receive. Why is this the case?

Could it be that brand marketers outside of the Netherlands recognize how **much more is possible?**

### 3. Exceptions exist: Basic branders also leverage sophisticated management tools

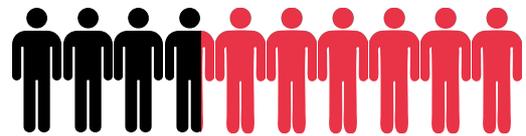
Despite the tough global comparisons, there are many examples of well managed Dutch brands.

We already noted that **38%** of our sample are using all of the basic brand management tools.

Some are going beyond the basics with practices such as: brand tracking programs (37%), marketing ROI (22%), internal brand culture surveys (22%) and brand valuation(15%).

**34%** of brand managers surveyed implemented at least **one** of these more sophisticated tools within their organization.

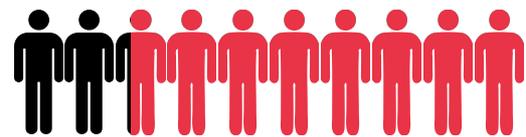
This means that this group is serious about brand management and is using a comprehensive program to steer their brands.



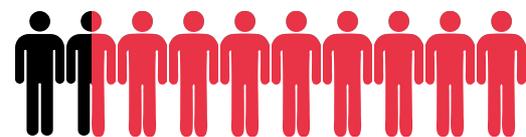
37% apply brand tracking studies



22% apply marketing ROI studies



22% conduct internal brand culture surveys



15% apply financial valuation of the brand

In fact, an extremely small group of Dutch brand managers are doing everything right.

In this survey just over **1%** (4 of 358) indicated that their company not only engages in each of the three branding basics but **all** of the other more sophisticated brand management tools that are included in the survey.

## Healthy Dutch brands:

### How Randstad is building a brand to shape the world of work

One of the brands that is doing it all is **Randstad**.

To find out how a company like Randstad integrates branding in their corporate objectives we recently interviewed **Frans Cornelis**, Managing Director Group Marketing and Communications.

"Without reliable data, any brand builder is defenseless towards other stakeholders in a modern corporation. The outcome of a discussion on issues that are weighed on gut feel only is predictable:

the person in the room with the highest salary wins the discussion. But with the right data, the process becomes objective and marketers can have major influence on strategic decision making in a company."

Frans Cornelis quotes from Randstad's internal training course, the SEP.

1. What role does the Randstad brand play in influencing customers, how does the brand fit into Randstad's overall corporate objectives?

In our company, building superior brands (and the main brand in particular) is one of the four core strategic principles. And it has been like this for many years. Check the annual reports: it is right there. In fact marketing is there twice, because apart from the brand, our product (we call it strong concepts) is another one of the four. We have found that the brand is one of the key items underpinning our commercial performance. Both our internal and external research shows that the brand is a major factor influencing the order decision in our industry, its weight being at least 40%.

2. Randstad is using a relatively sophisticated set of brand management tools. What were your priorities when setting up your current brand management team and system? What were the challenges?

Our priority was to get the 12 major global markets for our industry mapped on a high level as soon as possible, with entirely comparable measurement dashboards and tools by market. We needed to benchmark versus our competition, but also versus other top service brands. We then progressively refined and extended our measurements and tools in function of what we found. For instance, we now pay a lot more attention to the web and to the professionals recruitment market as a result of those findings. The findings also influenced our overall positioning: "Shaping the World of Work" which was born from research, not art.

## Healthy Dutch brands:

### How Randstad is building a brand to shape the world of work

3. It's one thing to start doing lots of activities (brand tracking, valuation, cultural alignment) and it's another thing to build a system where all the parts and pieces work together.

What have you learned about how to "turn it on" (your brand management system) within Randstad?

A key element in being able to build something good is that we built it with the marketeers in the various countries, often in a bottom-up process where the international marketing community would prioritize and support specific developments and recommend those to the general managers rather than a top-down approach. Another key element was the holistic approach, marrying internal comms, external comms and culture aspects with marcom and public affairs from the design base up, rather than trying to integrate existing actions from various factions. A final key factor in the process was the strong personal support from our CEO, but also our CFO and his department who play a key role helping us drive accountability in everything we do.

4. It appears that one of the things that defines strong brands are insights (customer insights, cultural insights, financial performance, etc). What role does data and insights have in how you build the Randstad brand?

The psychometric (image) measurements we do in our industry in our major markets have allowed us to map cultural differences and attitudes to our services and our competitor's services. Probably because we are in a young global market, these showed us that we could approach the vast majority of our segments with our main brand. This was backed up up by repeated focus group research studies, which showed very consistent results. The same with our demographic studies and employment studies. Cultural differences are large, but relative to local culture the leading brand position in our industry is almost the same position in most markets. The knowledge built has influenced many key strategic decisions, of which the successful rebranding strategy needed when acquiring the Vedior group would be the most visible.

## Healthy Dutch brands: How Randstad is building a brand to shape the world of work

5. You have managed some of the most recognizable Dutch brands in your career. What's your opinion about the state of branding in the Netherlands? What is unique about the practice of branding in the Netherlands compared to other markets?

As the Netherlands is one of the richest and one of the most open economies in the world, international marketing and brand management prowess is a key element of any plan to boost the Dutch economic performance. We are a unique gateway into and out of Europe. Sadly, the state of the art in the Netherlands does need revitalizing and improving. Over the last few years, some big brands have dropped behind in the global race. Initiatives like the

professional EC-level certification of Registered Marketeers and the tireless other actions by the Netherlands Institute for Marketing serve to remedy this. Other elements are the actions to make Amsterdam into a creative capital of Europe and the like - however, much more needs to be done. Our country is uniquely positioned, but we need to wake up and do more to grasp the opportunities for the long term.

### Frans Cornelis

Frans joined Randstad Holding as Managing director Group marketing & communications in 2003. His team is responsible for marketing, external and internal communications processes within the Randstad Group. Outside Randstad, Frans is chairman of the European Marketing Certification Foundation (EMCF), chairman of the Foundation for Interactive Digital Screen Communication (IDBC) and honorary member of the Netherlands Marketing Association (NIMA). Before Randstad Frans has had various international senior marketing roles such as Corporate Marketing Director at KPN from 1998-2003, President marketing Europe at DECS, Sara Lee and Product management director at AT&T's Professional Services Group in Europa in the early nineties. Frans Cornelis graduated in Commercial Law and Information Science at the University of Leiden in 1982. In 1983, he obtained an MBA from INSEAD, Fontainebleau, France.

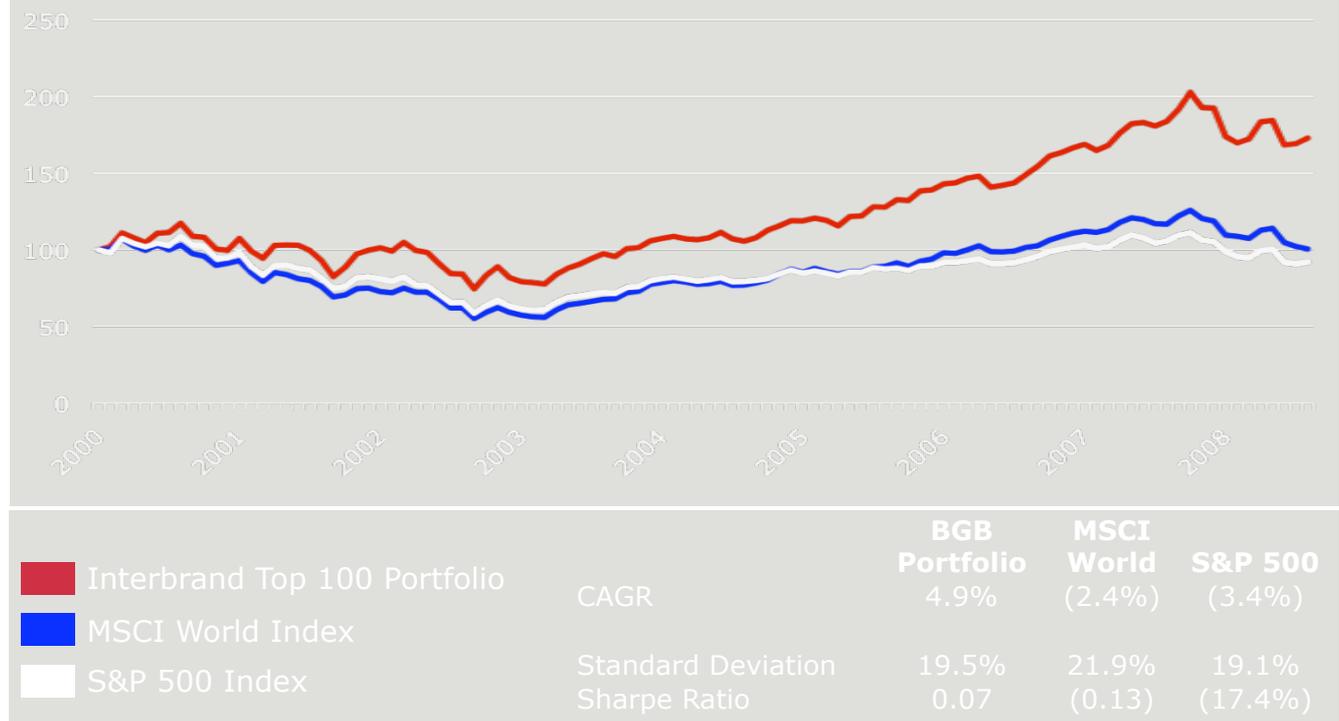
# The Brand Strength Payoff: Dutch brands can and should be stronger

So far in this report we have identified that Dutch brand managers are fairly confident in the strength of their brands but that many of these same companies fail to manage their brands with even the basic tools. Additionally, we've drawn some revealing comparisons between globally managed brands. Lastly, we've looked at a few exemplary Dutch brands, including Randstad.

**You may be asking yourself – what's the point? So some Dutch brands could be stronger and better managed. So what?**

The answer is **economic value creation**.

As the chart below shows, strong brands create economic value at a lower risk and outperform competitors.



Best global brands versus MSCI World Index and S&P 500 Index. Best brands outperform the market.

## The brand strength payoff Dutch brands can and should be stronger

Brand strength is more than a concept, it's a quantifiable metric. Within Interbrand's Brand Valuation practice, we measure Brand Strength across the following dimensions:

Brand strength dimensions:	
<b>Stability</b>	Strength of relationship with customers, usually measured in satisfaction, loyalty, and recommendation scores.
<b>Diversification</b>	Diversification of the business, usually indicated by geographic spread and international potential.
<b>Support</b>	Consistent investment and focused, high-quality support of the brand.
<b>Leadership</b>	Market leadership, usually indicated through high- awareness, dominant market share, and strong influence on the market.
<b>Relevance</b>	Strong ability to deliver against customer needs, often measured in consideration and first choice.
<b>Trend</b>	The overall trajectory of the brand, usually indicated by growth trends and growth sustainability vs. competitors.
<b>Market</b>	The dynamics of the market in which the brand operates, usually indicated by overall market size, stability, barriers to entry, and growth dynamics.
<b>Protection</b>	Legal protection of the brand.

Brands that score highly on these measures have demonstrated, over time, an increased ability to **secure and maintain brand earnings.**

Respondents in our study self-assessed the strength of their brands. Not surprisingly, brands that are managed using the basic tools are statistically stronger\* that those that are not using the basic tools.



Dutch brands that DO NOT apply branding basics are significantly weaker\*



Dutch brands that DO apply branding basics are significantly stronger\*

\*In the study, respondents scored their own brands on the brand strength dimensions mentioned above. Brands that are managed using the basic branding tools have significantly higher brand strength scores than those that do not (95% confidence interval with a .05 error term).

# Summing it up:

## An economic opportunity

We now have strong evidence to answer our question: why **Dutch brands are declining in value.**

They are declining in value because many are not properly managed. They are not using all the tools available to them. A lack of strategic insights keeps them in the dark regarding what customers really think. They are less focused than their global counterparts and probably unaware.

So where do Dutch brands go from here? For starters, we do not have to look far for inspiration. Brands like Randstad and Philips provide clear examples for how to manage the brand like a strategic asset. The tools are there. Dutch companies simply need to pick them up and get started. A simple 3-step approach that we've used to help Dutch brands begin to build more economic value is:

1. Conduct a **brand opportunity assessment** to diagnose gaps and identify opportunities for immediate impact.
2. Build a **brand roadmap** that aligns activities and practical initiatives that build brand strength and business results.
3. Use the brand to create change within the organization through **brand operationalization.**

This last point, creating change within companies, might be the most important. In talking to clients and colleagues across the Netherlands, we often hear that the root cause behind many of the symptoms diagnosed in this study lies within company culture. Today's Dutch economy rests on a legacy of trading, a practical work ethic, and an unshakable belief in tangible assets. And even though we know that today intangible assets account for a larger share of company value than tangible assets, it is still the case that the practice of branding in the Netherlands lags compared to other developed economies.

And ultimately that's the good news: the state of Dutch branding today is one of extraordinary potential and opportunity.

# Thanks

I wish to thank the many brand managers that took our survey. We hope the results are as illuminating and inspiring for you as they were for us.

I also want to thank Frans Cornelis at Randstad for sharing the story of the Randstad brand.

Lastly, many thanks are due to following colleagues and partners for their assistance throughout the development of this report:

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# Interbrand

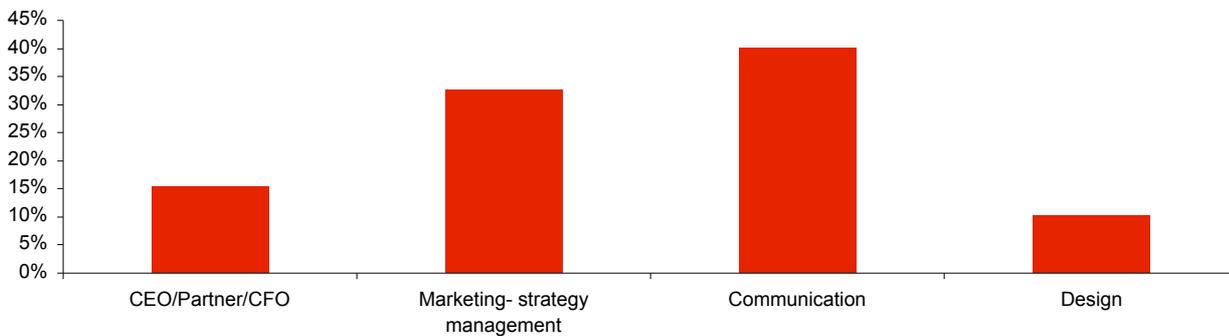
Since 1974, Interbrand has challenged standard convention of what a brand can be by pioneering new brand solutions that the world wants and needs. Our brand professionals serve clients globally with over 30 offices in over 20 countries. Working in partnership with our clients, we combine rigorous strategy and analysis with world-class design and creativity. Our services include brand analytics, brand valuation, strategy, naming and verbal identity, corporate identity, packaging design, retail design, integrated brand communication, and digital branding tools. We enable our clients to achieve greater success by helping them to create and manage brand value.  
[www.interbrand.com](http://www.interbrand.com)

# Background:

## Who provided input for the State of Dutch branding

Interested in understanding more about the current climate, habits, and practices around branding and marketing, Interbrand recently completed a quantitative research study of over 358 branding and marketing professionals in the

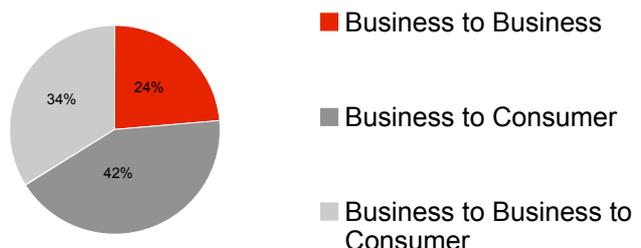
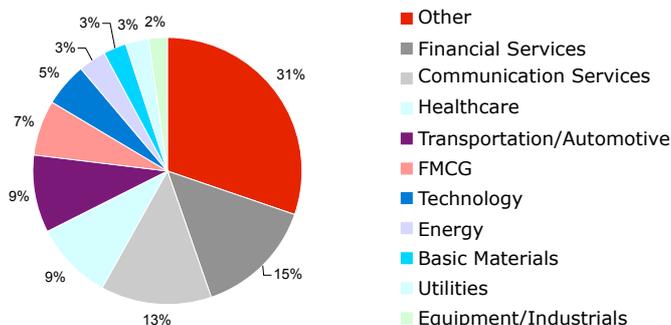
Netherlands. Respondents included CEOs/partners, marketing and strategy managers, and communication and design professionals, all involved in decisions and activities that impact their company's brand(s).



Which of the following best describes your position?

With a statistically significant sample of respondents coming from a range of sectors, company sizes, and functions, the results of this survey provide a peek into the opinions and practices of branding and marketing professionals in the Netherlands.

Respondents came from companies ranging from around 1m euro to 100-500 euro in turnover, representing B2B and B2C companies across multiple sectors.



Please indicate the industry your company is in:

How would you describe your business?

# Background:

## What we asked

Study questions addressed the following topics:

*Influence* of brand on customer decisions.

*Importance* of brand and brand management at multiple levels of the organization.

Level of internal and external *understanding* of core brand ideas and how brands create economic value.

Current branding *practices*, including:

- Positioning definition
- Brand and business strategy connections
- The role of brand within various areas of the company
- Budgeting and resources
- Use of customer research and other brand measures
- Adherence to brand standards

*Brand Strength*, in terms of perceived company brand strength across a range of dimensions including stability, diversification, support, leadership, relevance, trend, market, and protection.

*Benchmarks*, including which companies do the best job of managing brand, and the critical aspects of successful branding.