

# Readying for the Rebound: Protecting Product & Brand Integrity



# Protecting Product Brand

*Andrew Cifranic*

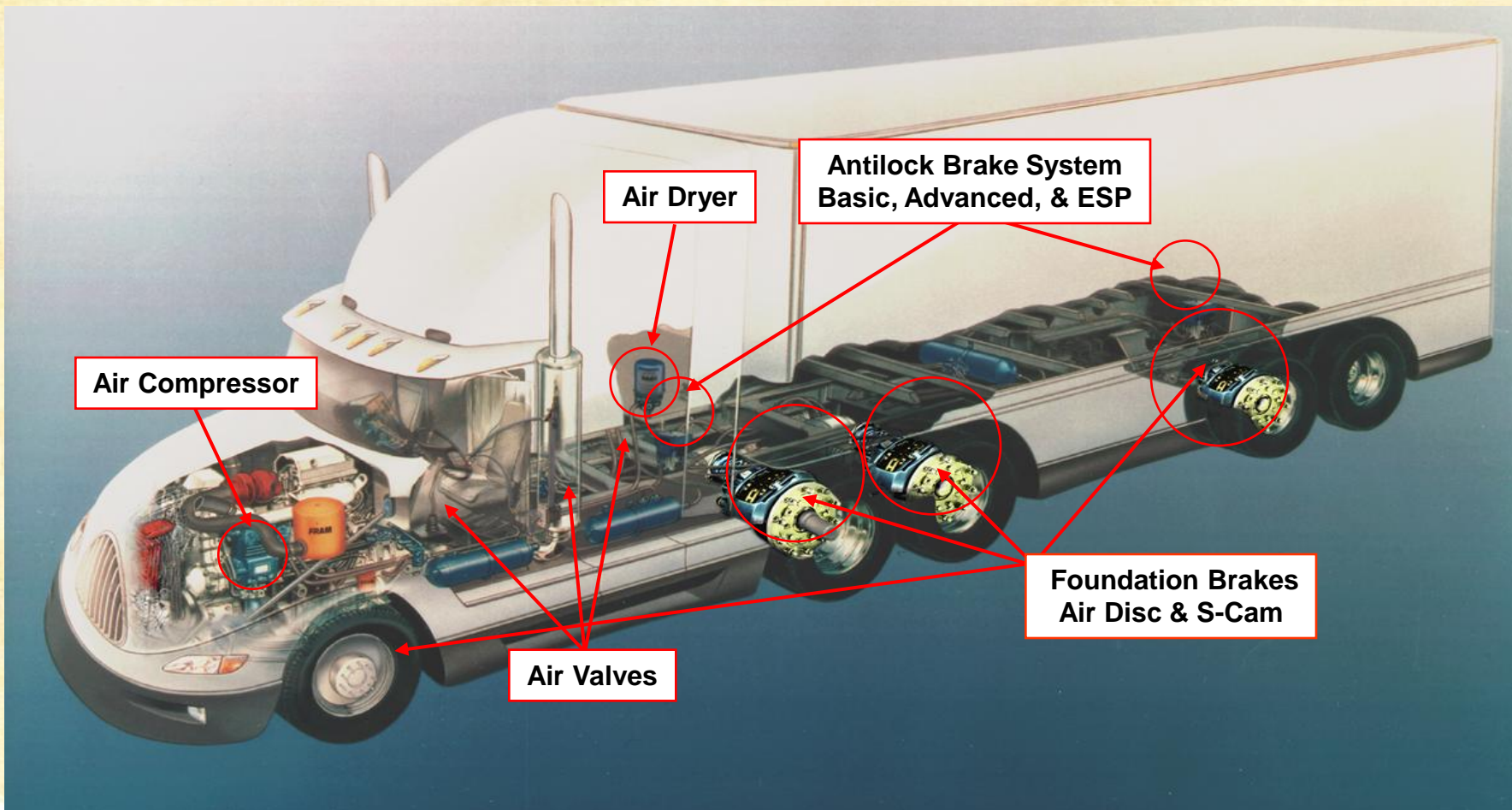
Bendix Commercial Vehicle Systems LLC

September 16, 2009



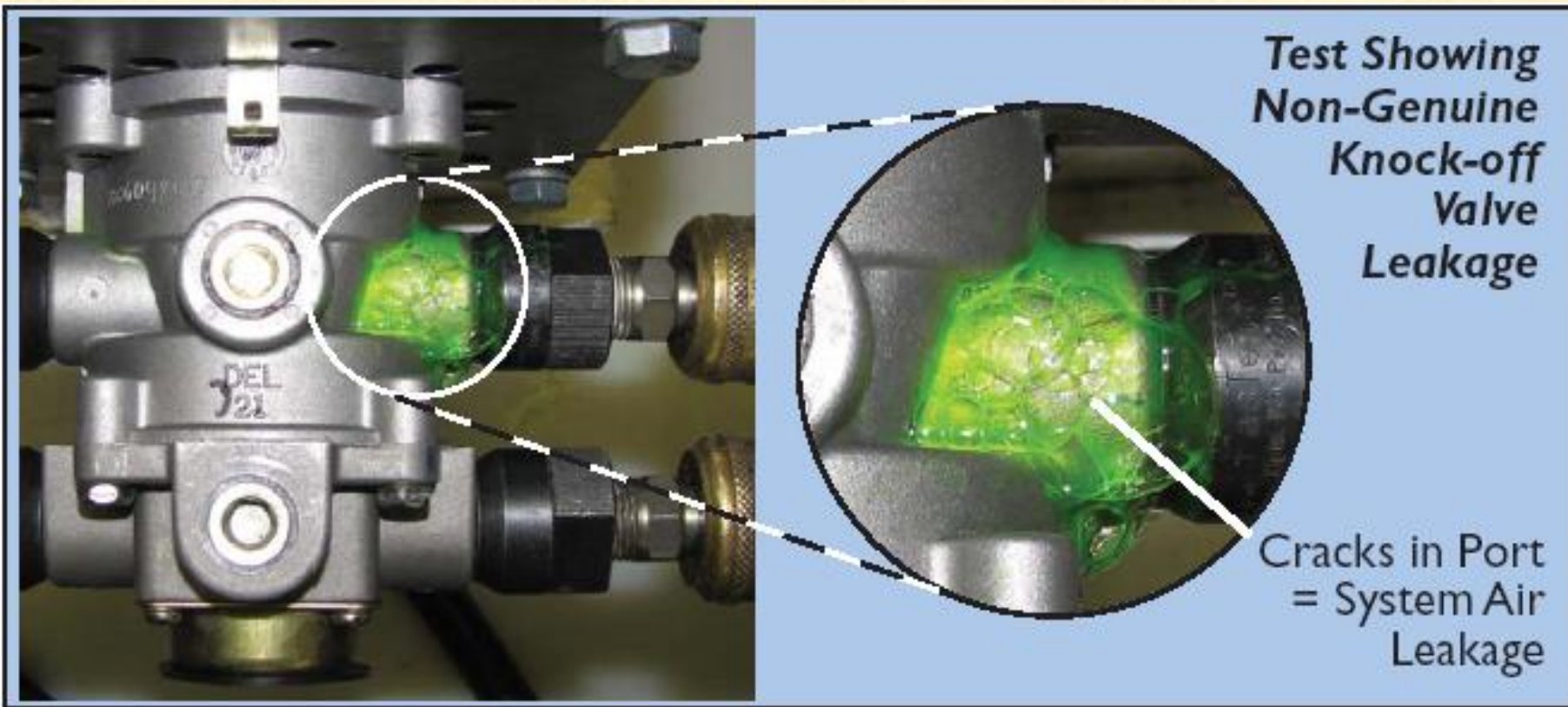
## Protecting Product Brand

### Bendix Products



# Protecting Product Brand

## Example: Brake Valve



# Protecting Product Brand

## Example: Dash Valve



## Protecting Product Brand

### The Bendix Approach

#### •Protection

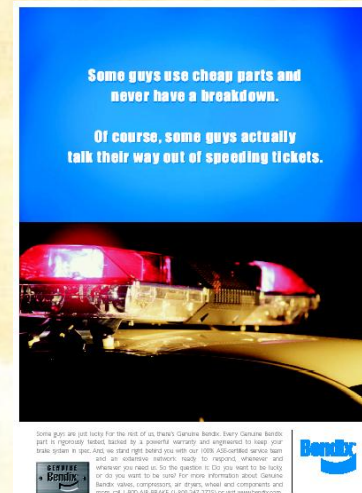
- Identify, log, & register all IP
- Standardize IP processes
- Build IP into new products

#### •Enforcement

- Track infringements & communicate results
- Utilize all available resources for investigations
- Pursue legal remedies

#### •Education & Awareness

- Develop knowledge base of entire supply chain
- Create supporting literature
- Communicate program successes & counterfeit risks to industry



## Benefits to Carrying Genuine Product

	Genuine	Competitive Reman	Knock-Off / Imposter	Counterfeit
Latest Engineering / Design	✓	✗	✗	✗
Meets or exceeds SAE / Industry Standards	✓	?	?	?
Available Post-sale Support	✓	?	?	?
Detailed Technical Knowledge	✓	?	?	?
Updated Application Data	✓	?	?	?
Warranty Support	✓	?	?	?

*Genuine product provides the best overall value for your dollar*



## Risks to Carrying Non-Genuine Product

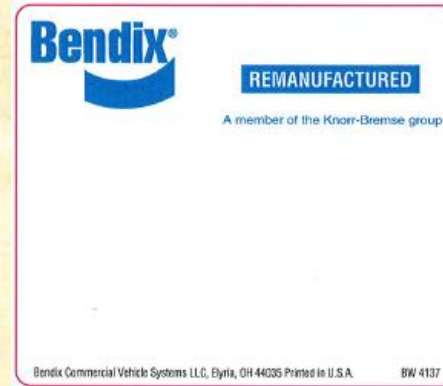
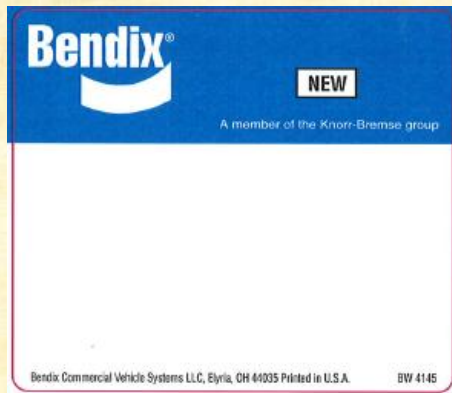
	Genuine	Competitive Reman	Knock-Off / Imposter	Counterfeit
Trademark Infringement	✗	?	?	✓
Patent Infringement	✗	?	?	?
Recall Responsibility	✗	?	?	?
Voided Warranty	✗	✓	✓	✓
Exposure to Legal Action	✗	?	?	✓

*What are you getting yourself into? Protect your business, buy genuine.*

## Protecting Product Brand

### Identifying the Real Thing

- Buy from a trusted source
  - Visit <http://www.bendix.com> and click on “Contacts”
  - Find authorized genuine Bendix dealers and distributors by City/Province
- Look for known product markings – labels, logos, stampings
  - Bendix package label featuring Bendix logo



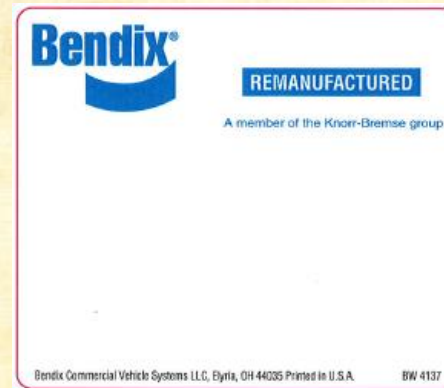
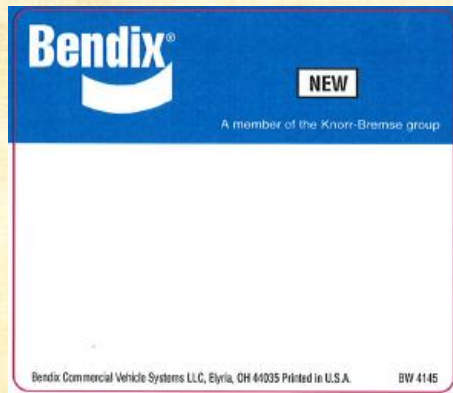
- Bendix logo stamped, cast, or otherwise marked on product
- Ask yourself, is it too good to be true?

## Protecting Product Brand

### Identifying the Real Thing

Look for known product markings – labels, logos, stampings

- Bendix package label featuring Bendix logo



- Bendix logo stamped, cast, or otherwise marked on product

## Thank You

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# How Important Brand is to our Success

By

John Powers, President  
Florida Powertrain & Hydraulics, Inc.

# Florida Powertrain & Hydraulics, Inc.

- Seven Locations throughout Florida
- Primary Product Lines
  - Distributor of auxiliary power products
    - PTO's, hydraulic pumps, valves, wet line kits
  - Distribute and repair / rebuild drive shafts, axles, transfer cases & transmissions

## Brand – Here's why this matters

- “Brand is defined as something people will pay extra for, even if the product or service is identical to a competitor.” *(Jeffery Colvin)*

Therefore – BRAND yields more Gross Margin

# How does the company's brand factor into the cost-value proposition?

We know the brand will have less comebacks and this can be factored in our pricing. It's worth more knowing it's more reliable.

## What Will Brand do for us?

- Raises the status of our company in the eyes of the customer
- Validates us as a legitimate market supplier
- Gives us instant credibility when making the first call on a prospect

# What will Brand do for us?

- Makes our company more attractive to other Brands who may not already do business with us.

# Establish your company as the premier provider

- Use Brand name in advertising & promotion:
  - Business cards
  - Signage
  - Invoices
  - Mailings
  - Drive shaft stickers/labels & PTO name plates
  - Maintenance literature

# How Branded products play a role in our ability to serve customers

- Like selling a product with insurance –  
A “buyers assurance” that the product  
will perform

# How we use Brand to protect our turf (area) & stay on top

- Emphasize close ties to the Brand company
  - Ability to get engineering help
  - Ability to get product when others can't
- Take Brand company salesman with us on customer call

# Readying for the Rebound: Protecting Product & Brand Integrity



# **ACCURIDE**<sup>®</sup> CORPORATION

**Driving Tomorrow's Solutions Today**

Product Positioning  
The Advantages of a Strong Brand

Tony Pape – Vice President Marketing



# Advantages of a Strong Brand

- Greater loyalty from consumers
- Less vulnerability to competitors
- Larger profit margins
- Greater trade cooperation and support
- Increased marketing effectiveness and efficiency
- Licensing opportunities
- Brand extension opportunities

Source: West Virginia University. P.I. Reed School of Journalism. 2009

# Examples of Strong Brands

Can you name these brands?



# Examples of Strong Brands

Can you name these brands?



BP



Firestone



Home Depot



# What Creates Brand Equity

- Brand elements or identities
- How the brand is marketed
- Associations transferred to the brand by linking the brand to some other entity

Source: West Virginia University. P.I. Reed School of Journalism. 2009

# Product Positioning

- Target Audience
- Category Need
- Key Brand Benefits
- Motivation for Purchase/Selection/Loyalty
- Brand Character

Source: West Virginia University. P.I. Reed School of Journalism. 2009

# Product Positioning

- To commercial vehicle operators
- Gunitite is the brand of wheel-end components
- The reasons include over 150 years of product technology, OEM quality, support and delivery
- The Gunitite brand is dependable, strong, time-tested, and sought after

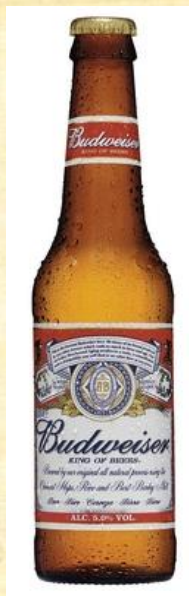


# Message Support to Distribution Channels

- Product support
  - Accessibility of high quality sales collateral materials
  - Clear product labeling
  - Trademark protection
  - Patents
- Advertising and co-op advertising
- Ongoing new product development / innovation (Preferred OEM choice)
- Customer service
- Field engineering
- Dedicated sales team
- Efficient product distribution
- Competitive warranty

# Evidence of a Strong Brand

- Two similar products
- One is sought after/demanded



# Thank You

# Readying for the Rebound: Protecting Product & Brand Integrity



# Genuine and/or Non-Genuine: A Story of Wealth Loss/Wealth Creation

Harold Krivan, Aftermarket Junkie

September 16, 2009

# Discussion Outline

## I. Background

- Business Context
- Personal Context

## II. Some Startling Facts

## III. Transformation Guidelines

# I. Background – Business Context

- Constant pressure to grow top and bottom lines
- “Genuine” brands/products had *market-driven* growth limits
- **The strategic issue:** Can genuine/non-genuine products and brands co-exist under the same roof?
  - No problem for distributors
  - Less/less of a problem for dealers
  - What’s a “Genuine” supplier brand to do?

# I. Background – Personal Context

- Love the aftermarket
- Bring a supplier perspective
- Began a transformation that others executed (Gosnell/Mejaly)
- **Answer:** Genuine/Non-Genuine can co-exist... because the market wants it to

## II. Some Startling Facts

- What's wrong with this picture?

	Genuine OE Market Share	Genuine "Own" Aftermarket Share
Product A	95%	10%
Product B	70%	15%
Product C	50%	40% to 50%

- **Bottom Line:** 10s of \$millions of revenue/wealth were transferred from Genuine to Non-Genuine sources

## II. Some Startling Facts (continued)

- **Research:** Brought an “outside-in” perspective
  - 25% of satisfaction driven by product; 75% by communications, catalogs, service, training, availability, trust, etc.
  - Non-Genuine did OK on product; excelled at other key measures
  - Distributors wanted “good, better, best”, “all makes” to address market segments, vehicle operator needs, etc.

## II. Some Startling Facts (continued)

- **Conclusions:**

- Euclid and Ray Zukowski became my heroes
- Genuine/Non-Genuine brands can co-exist at “Genuine” business because they address needs of different segments; complement each other

*... The rest is history... Transformation*

## III. Transformation Guidelines

1. Define the business you are in correctly – i.e., **service/replacement parts vs. aftermarket**
2. Listen to the voice of the customers/channels
3. Get everyone on the same page within your company; the biggest enemy comes from within
4. Selectively add people to your team to “infect” others

## III. Transformation Guidelines

5. Acquire product and know-how when it makes strategic sense
6. Consistently educate, communicate and deliver on the brand(s) promise
7. Set measurable and rewardable objectives

# Readying for the Rebound: Protecting Product & Brand Integrity

