



Markenfels

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Whitepaper

# The brand as an integration engine

## **M&A Branding**

A corporate brand is more than just a name.  
Strategic brand management along the entire  
M&A process pays off.



Brands play an important role in the purchase decision: depending on product and industry, the role of brand ranks between 10 and 90%. It is therefore rather surprising how many companies neglect the topic of branding when preparing and executing a merger or acquisition.

Boards of directors throw valuable corporate brands into negotiations as if they were tokens ("We provide the CEO, in return you get to keep the name"). Well-known corporations spend billions to acquire global companies – but fail to secure the trademark rights for flagship products. And after the closing, the creative services department is given the task of "fixing the logo somehow, perhaps with a subline." A strategic brand management process, on the other hand, rarely takes place. The economic consequences are devastating: around three quarters of all mergers and acquisitions fail – mostly on integration.

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**Branding as a  
management task**

Focusing on three essential management tasks systematically reduces the risk of a merger. And in all three aspects, the brand provides a decisive contribution to success.

**First, the choice of a suitable partner.** In which constellation can the business be developed profitably, will market shares grow, does the reputation shine? Already in the bridal search phase, a careful comparison of brand positioning and DNA of corporate and product brands provides valuable indications regarding fit or misfit of two potential partners.

**Second, the definition of a clear strategy.** Does the integration of the two companies improve competitiveness? Or is impact greater if the partners continue to compete individually in the market? The corporate brand plays a decisive role in both integration and differentiation, because it can unite companies – or divide them. A united corporate brand is the simplest and at the same time the strongest lever for creating a new, common identity and developing a sustainable corporate culture. A culture that welds former competitors into a new, powerful team.

**Third: consistent implementation.** How can the lengthy and laborious integration process be powered? How can employees be taken on board, for the journey into a shared future? The brand sends an important signal after a merger: it makes the future strategy physically present and emotionally tangible. A tight roll-out plan for the rebranding unfolds a positive momentum and is an excellent integration driver. The rapid integration of the brand can also strengthen and accelerate all other integration processes – from research and development to production to IT and HR.



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## Tools and processes

A structured brand management process accompanies the merger along the classic M&A phases: from due diligence to strategy development and implementation. The focus is on aspects that measurably contribute to value creation, in particular profitability, market share, and reputation and image. Tried and tested tools and processes are available for this purpose. For example, parallel prototyping can be used to compare efficiency and value creation potential of different brand strategy scenarios. If required, a brand equity study can provide insights on which brand has the stronger customer loyalty, or which brand can be trusted to become a powerful growth driver. The professionally supported development of the strategic brand positioning, the development of a future-oriented brand experience and the planning of an efficient migration process for rebranding finally ensure that implementation leads to M&A success.

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## Brand strategy

### Which brand survives?

All too often, matters of taste influence the choice of brand for the merged company. Qualitatively more robust results are achieved, however, by systematically evaluating the integration capability of brands on the basis of hard and soft criteria.

Hard criteria include:

- Ownership
- Legal situation
- Strategic guidelines, e.g. portfolio management or planned divestments

The examination of the soft criteria requires a professional assessment, supported by fact-based studies if necessary. The focus of the investigation is, for example:

- Image transfer – positive and negative
- Value-at-risk, especially for customers, market share and employees
- Brand strength and financial power

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