AEG Powertools rebrand

#### Category

1.1 Corporate/Brand Identity

#### **Sub Category**

Design & Implementation costs over £100,000

#### **Client Company**

TTI

#### **Design Consultancy**

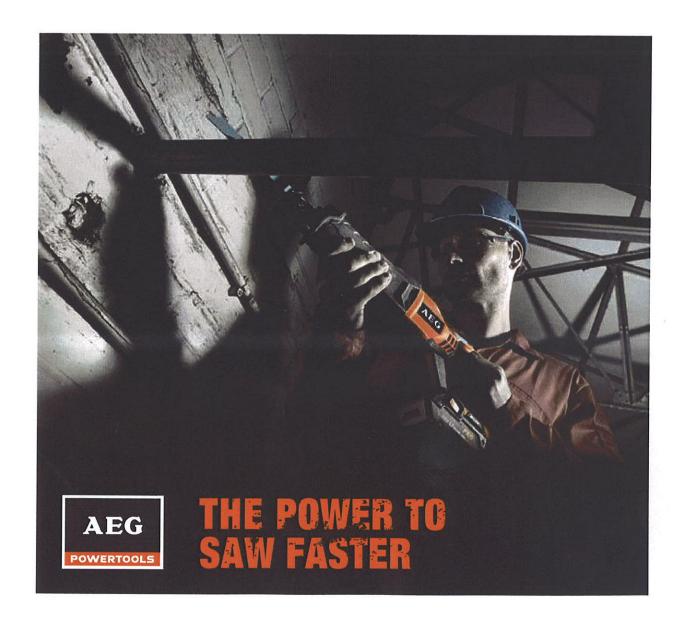
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#### **Current Date**

19.07.12

"There is no doubt that without the rebrand undertaken by Good, the AEG name would no longer be in the powertools marketplace."

Jason Chiswell VP Marketing & Key Accounts TTI



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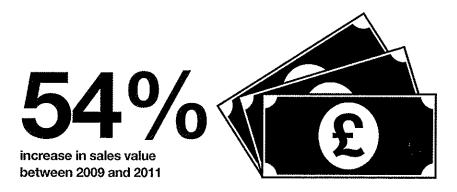
Please note

All figures supplied by AEG Global Marketing. TTI is a global leader in quality consumer and professional products for the home improvement and construction industries. The AEG brand of powertools sits between consumer brand RYOBI and their pro construction range, Milwaukee. In 2008 the brand was in trouble with declining sales and listings.

Jason Chiswell (VP for Global Marketing) had made it clear that this was the last roll of the dice for the AEG brand. It was simple: if action wasn't taken, the brand was dead in the water.

We believe the rebrand of AEG powertools demonstrates how a simple design strategy, when based on sound insight, has helped a brand from close to extinction to global success in 24 months.

# Commercial impact summary:



0.67%

increase in market share in the launch year



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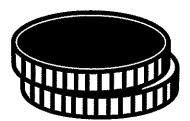
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All figures supplied by AEG Global Marketing.

# **Commercial impact cont:**

7,606%

return on investment in 24 months



**Outperformed** 

the market by

37%

in the launch year



13%

increase in sales volume between 2009 and 2011



# 900

#### **Project Title**

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#### Old Logo

An identity as opposed to a brand. Lack of personality.

#### Old Product & Literature

Blue colour lacks vibrancy and standout, particularly recessive on shelf. Communication is 100% product and feature led.



# The Brief:

The re-positioning and rebrand of AEG's powertool offering.

# The Key Objectives:

- Re-invigorate a once respected brand.
- Grow sales and brand awareness.
- Ensure consistency of message and brand across multiple markets.
- Push prices up.

# The Key Issues:

- Brand perceptions were poor, with any positives based on historical excellence.
- Presence at POP was recessive, tired and dated.
- The competition at this level (Bosch, Makita, De Walt) is very professional and focused.











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#### Competitors' Logos & Product

Competitors carved out a strong position with retailers and end users. Strong visual identity and retailing presence.

# **Project Description**

AEG was founded in 1887 by Emil Rathenau who brought assembly line production to Germany. His company also pioneered the original portable drilling machine in 1898 and went on to innovate hugely in this sector throughout the 20th century, producing hand-held units as well as the first drill to be taken into space by NASA on the space shuttle in 1984.

In 2006, AEG's powertool offering was bought by TTI but by this time the brand's equity as a leader and provider of professional powertools was seriously eroded. Whilst the tools themselves had a good reputation for quality and reliability the target audience knew little about the brand or what it stood for. The brand owners had to move quickly before AEG was completely obliterated by the competition.

TTI wanted to re-position the brand as a viable competitor to the market leaders of De Walt, Makita and Bosch.

## The Market

Throughout 2006 – 2011 the powertools market has been largely static but is now beginning to show growth. The marketplace is also saturated with serious players and there is a lot of duplication and cross-over in offerings between manufacturers that can sometimes lead to confusion.

Continual innovation is also prevalent with 'pro consumers' continually being bombarded with new, smaller, faster and more powerful kit.

With this level of competition and the plethora of choice, defining your brand and standing out from the crowd has never been more important.

















# **BOSCH**







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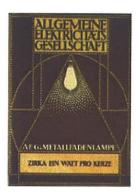
Peter Behrens

In his study, c. 1913



Historic Logo

Peter Behrens, 1912



Vintage Poster

# The Solution (Word count 427)

Basic research threw up the fact that whilst the AEG tools themselves had a solid, historical reputation, they were pretty much invisible at POP and a lack of investment meant that the pro consumer had little or no knowledge of their current offering and historical leadership of the category.

We also uncovered a unique pioneer in AEG's rich history: Peter Behrens. The architect, designer and painter was a huge influence on the likes of Gropius and Le Corbusier and was employed as artistic director for seven years from 1907.

Form and function were paramount to Behrens and he understood the power of a consistent brand. He worked on everything from the logo to the tools, communications and buildings to create a unified AEG for the new industrial age.

Based on his ethos and the original identity work he did in the early 20th century, we decided on two simple changes that would form the backbone of the new brand.

One: a change of primary brand colour from dark blue to orange to create immediate differentiation and stand out across all product and communications. This harked back to some early marketing material we had uncovered and psychologically reflected action and doing, as well as standing out from the competition.

Two: we took ownership of the word POWERTOOLS (which we found to be absent in all competitors' communications) and ultimately POWER to define the brand's heritage and capabilities and create a platform for us to communicate in an engaging way across all markets. From focused tactical messages such as THE POWER TO DRILL FASTER through to broader strategic messages such as THE POWER TO LEAD.

With these two key decisions in place we built a comprehensive set of guidelines including a re articulated logo, reflecting the Behrens original from 1912. We introduced new typefaces, brand photography, secondary palettes, templates and POWER driven language to drive all strategic and tactical initiatives across all markets.

It's important to point out that the AEG global sales team did not alter their sales tactics for the new AEG Powertools product. Their approach to the main channels of modern distribution (B&Q type retailers) and traditional distribution (specialist tool retailers) remained the same pre and post launch i.e. a combination of sales visits, promotional sales incentives and POS display kits. (There was little or no advertising). The overwhelming feedback was that the combination of the quality of new products and the materials and manner in which they were presented was what made such a huge, positive difference to the customer base in the respective sales channels.

#### **Tool Timeline**



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#### New Logo

Strapline locked into logo creating ownable identity.

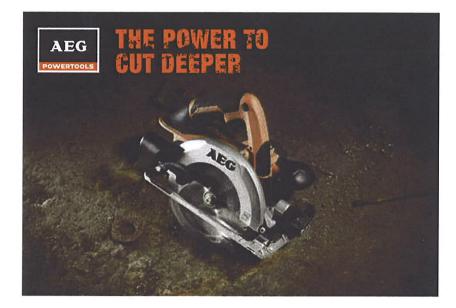
#### Adcepts

Featuring language platform and new product photography.

# **Project Launch Date**

The new brand went live at the tail end of 2009 with the colour flushing through all products in all markets by January 2010.







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#### Please note

This entry relates specifically to AEG's EMEA (Europe, Middle East and Africa) territory. This area covers all of Europe, Middle East and Africa with the main concentration of markets in Western Europe.

in 2009 the new AEG Powertools product had not flushed through to all markets, and we're considering this the pre-launch year. By the start of 2010 all markets in EMEA were selling the new product. This is the launch year. All years are Calendar years.

All figures are quoted in US dollars (\$) due to the global nature of the TTI business.

#### Please note

European markets report fgures in Euros. TTI report global figures in US Dollars.

#### Sales Volume Increase - 13%

Figures supplied by TTI global marketing.

#### Increase in Average Price per Tool

The technology in this sector is constantly changing, so it's impossible to compare the tool ranges on a like-for-like basis year-on-year. However, the rebrand project has supported an internal strategic focus on selling higher margin tools.

#### 7,606% Return on Investment

#### **Market Share Gain**

In the first year trading since launch, AEG has increased its market share against its key competitors who have either remained static, or dropped slightly.

Brand	Share Variation%
AEG	0.67
BOSCH	_
MAKITA	-0.4
DEWALT	-0.3

Figures supplied by TTI global marketing.

#### **Outperforming the Market**

In the first year trading since launch, AEG's launch growth significantly outperformed the market, even allowing for organic market growth.

Brand	Growth %
AEG	47
Entire Market	10
AEG Adjusted	

#### Expanding into new Markets

Because of the rebrand, several specific success stories have been reported from the markets. Two examples as follows:

 The Turkish market managed to increase their sales value within one of their main distributors "Centre Dis" by 100%.

#### Growing the Team

With a growing brand, TTI have had to increase their central marketing team by a factor of 100%. The team has grown from 3 full time members of staff in 2008, to 6 in 2011.

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# **Market Testimonials**

German Market

"The new branding instantly gained us presence within our distribution. The 'power' theme and strong visual elements made the brand stand out and emphasized the quality of our products."

Gabriele Heinze, Marketing Manager - GALP (Germany & Alpine)

**Nordic Market** 

"Since the AEG Powertools re-launch and the tools turned orange, we've had great success with a couple of big chain customers, especially 'Bauhaus'. They now have a wide range of tools from AEG and have featured them both in their printed material and television commercials."

Marcus Fritz, Marketing Co-ordinator - Sweden

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# **Market Testimonials**

French Market

"If it had simply been a colour change on the same tools and with the same type of communication, we wouldn't have been as successful. The success came from the global change in communication, image, and product range."

Christophe von Vopelius, Marketing Manager - France



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#### **Research Resources**

- DIY and Home Improvements Industry, Keynote Market Review 2009
- -- Construction Industry, Keynote Market Review, 2009
- DIY Retailing UK, Mintel Report, February 2011
- DIY Retailing Europe, Mintel Report, February 2011
- TTI EMEA internal data

# Other Influencing Factors

The central marketing and sales team at TTI handling AEG pre and post rebrand stayed the same, bar the introduction of new members to handle the growth of the brand. Marketing spend remained consistent excepting the added investment allocated to the rebrand.

The sales approach in the respective channels remained consistent pre and post launch.

The product development team at AEG/TTI remained unchanged pre and post rebrand.

The tools themselves, continued to be manufactured at the same facility in China, pre and post colour change and rebrand.

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AEG

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Range

**AEG POWER TOOLS** 

AEG **POWER** SAWS

**AEG POWER DRIVERS** 

**AEG POWER SANDERS** 

**AEG POWER DRILLS** 

Performance

**POWER** TO SCREW LONGER

**POWER** TO HAMMER HARDER

**POWER** TO CUT DEEPER

**POWER** TO SAND SMOOTHER

**POWER** TO PLANE PERFECTLY

**Emotive** 

**POWER** FOR A LIFETIME

**POWER** TO SHAPE THE FUTURE

**POWER** TO CREATE

**POWER** TO DESTROY

**POWER IN THE PALM OF YOUR HAND** 

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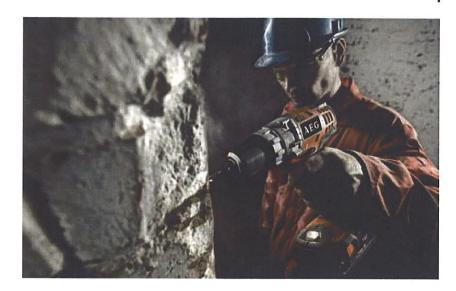
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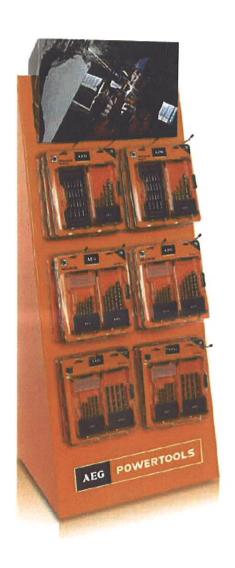
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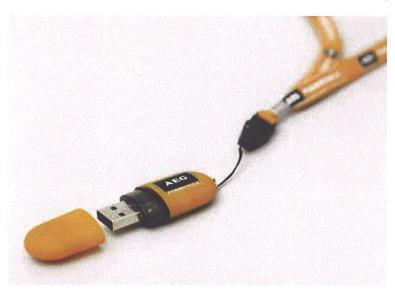
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