



Capital Markets Day

Role of brands

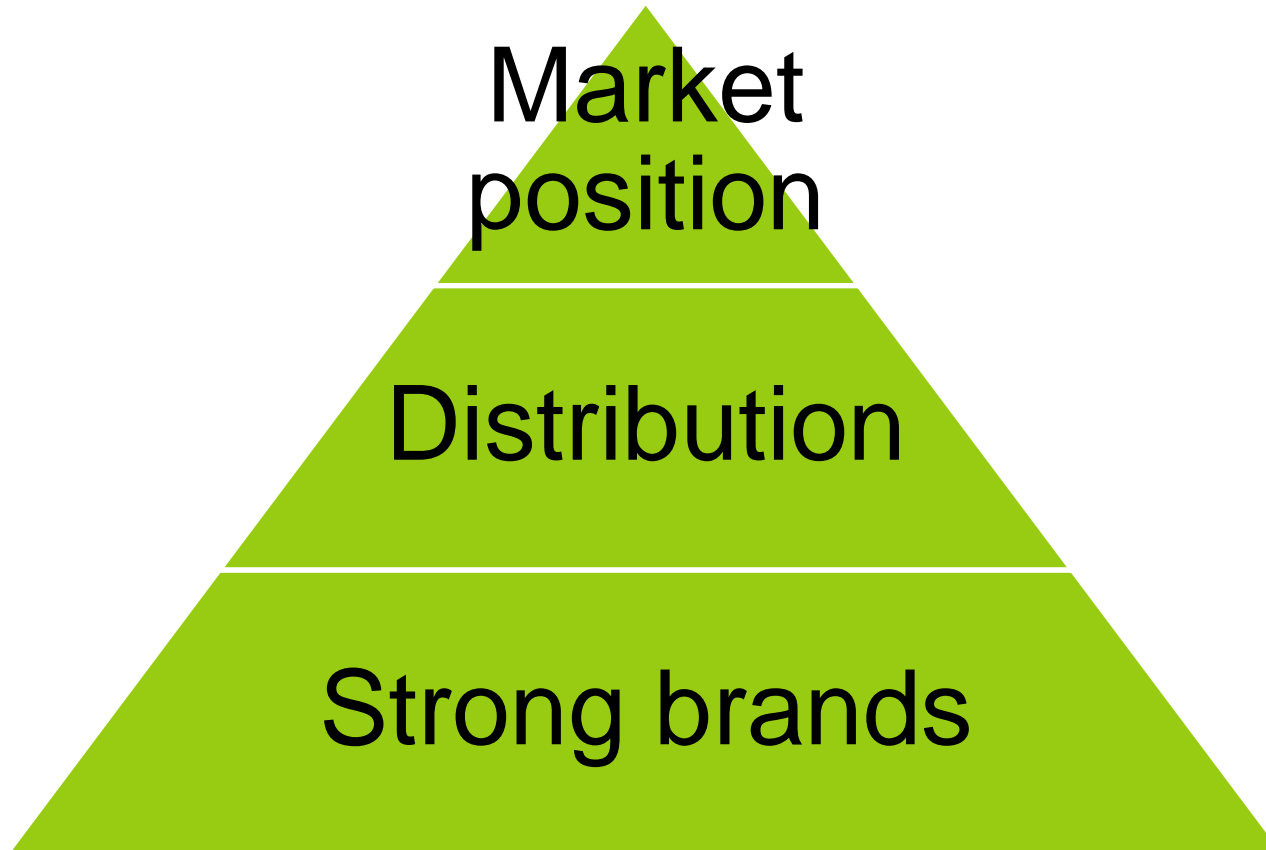
Anna-Lena Högfeldt, Group VP, Business
Portfolio and Brand Management

TIKKURILA

Sustainable beauty since 1862



Key success factors in paint business



Strong and well-established brands are the key to achieving our strategic intent

Strategic Brands

Tactical brands

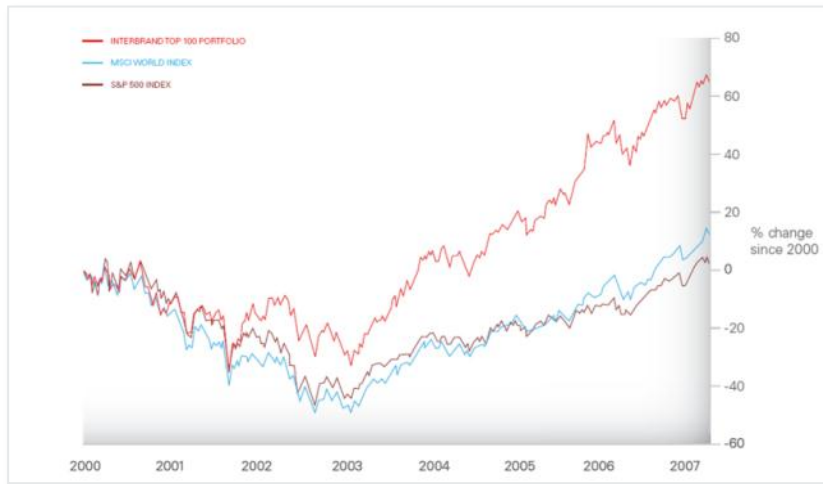
International brands

Regional or local brands

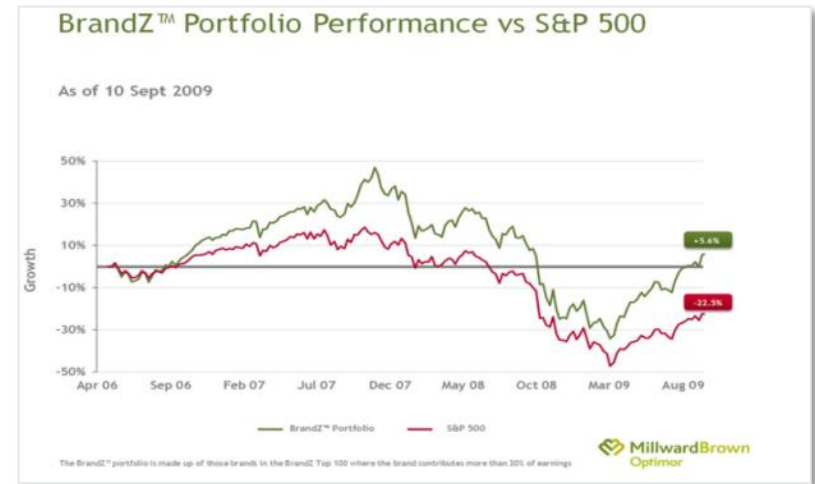


Why to build strong brands?

Market value development: market index vs. strong brands



Interbrand TOP 100 brands vs. most important market indicators



Strong brands – stronger customer relationships, growth and profits – better shareholder return in the long term

In addition, strong brands recover faster during times of economic uncertainties

- Strong brands generate better shareholder value

Source: Interbrand and Millward Brown Optimizer, Brand Z data

Why to build strong brands?

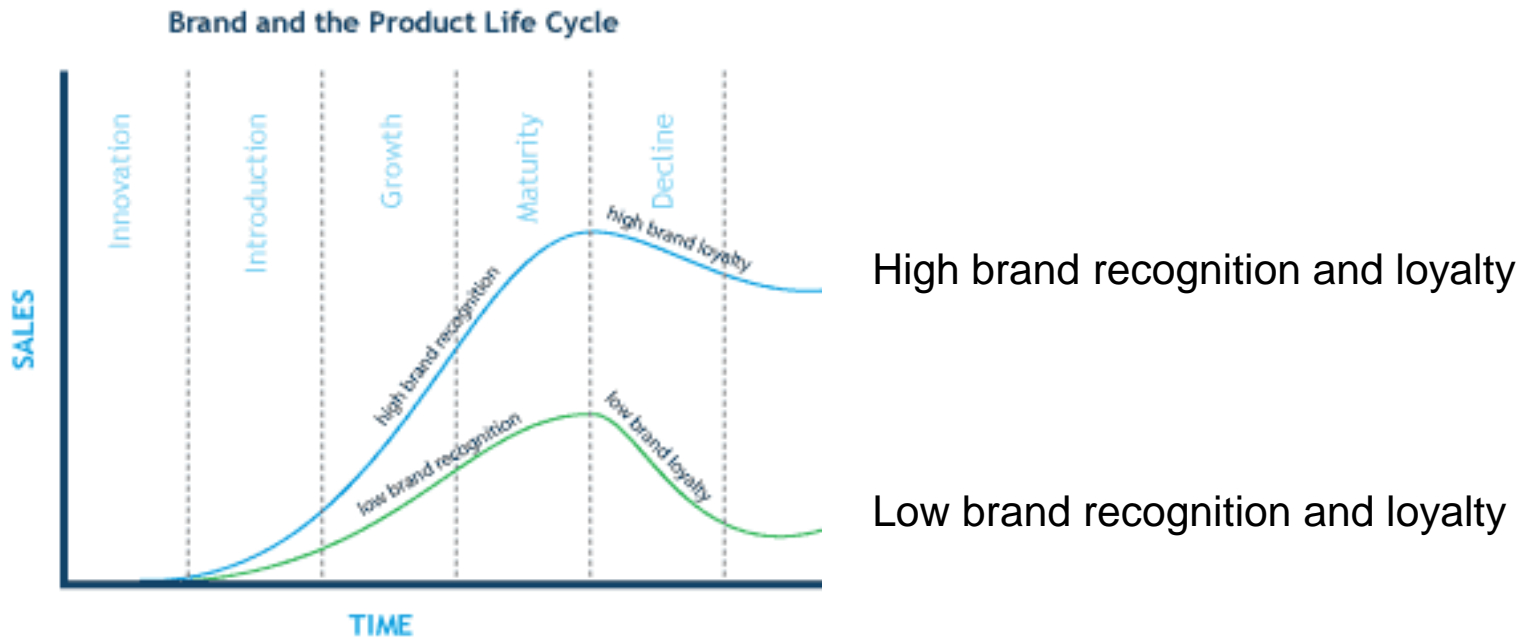
Market value development: market index vs. strong brands



- After recession, strong brands have positive market value growth three years before others

Strong brands enable long term profits

Brand and product life cycle



- Strong brands have a longer lifecycle = generate more value

Source: Marketing Clinic

Key drivers for our multi brand strategy

- Ability to cover different price segments in a given market
- Visibility in outlets (more shelf space)
- Price competition between retail chains
- Enables to enter new distribution
- Long tradition of local brands and strong brand loyalty of end users



Case:

Quality Paint Association to Russia

- Major coatings producers and raw materials suppliers – Tikkurila, Yaroslavskie Kraski, Akzo Nobel Décor, Dow Chemical and DuPont Science and Technologies – jointly established Quality Paint Association in Russia in October 2013.
- Objective is to unite the major paint producers, raw materials suppliers, and other operators in the paints and coatings industry in Russia, as well as to advance international quality, safety and environmental standards of paints, bringing the market closer to Western standards.



Case: Responsible decisions pay off

NEW FORMULA
NEW VISUAL IDENTITY
NEW VISION
NEW CANS
NEW USER-FRIENDLY
SYMBOLS
ECO-LABEL
ASTMA AND ALLERGY
LABEL

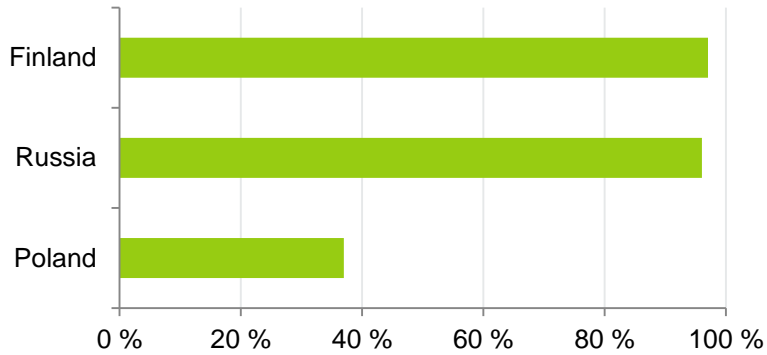


IN 2013, CLEARLY
IMPROVED SALES
IN THE BALTICS

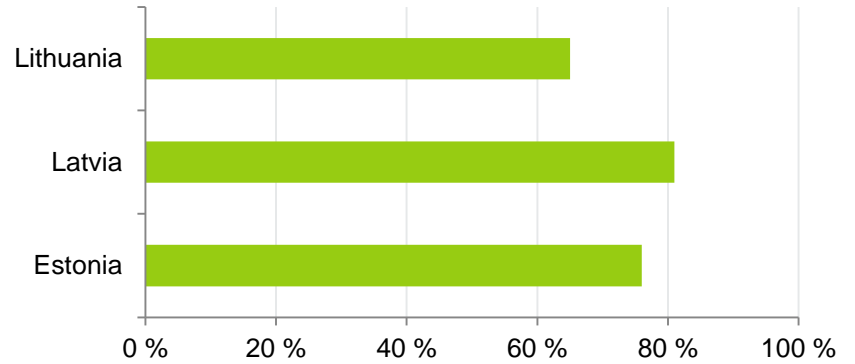
IN 2013, THE MOST
WELL-KNOWN PAINT
BRAND IN THE
BALTICS

Our brands have high brand recognition

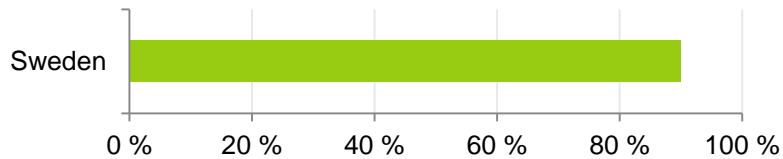
Tikkurila



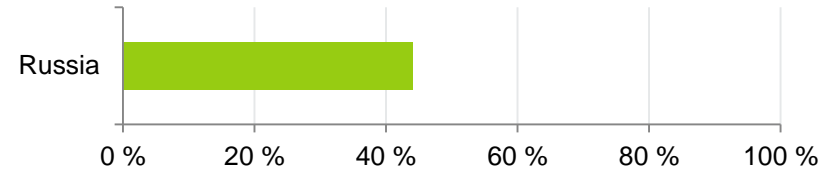
Vivacolor



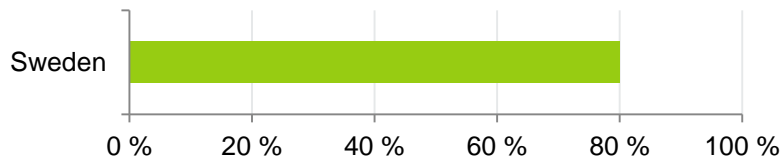
Beckers



Teks



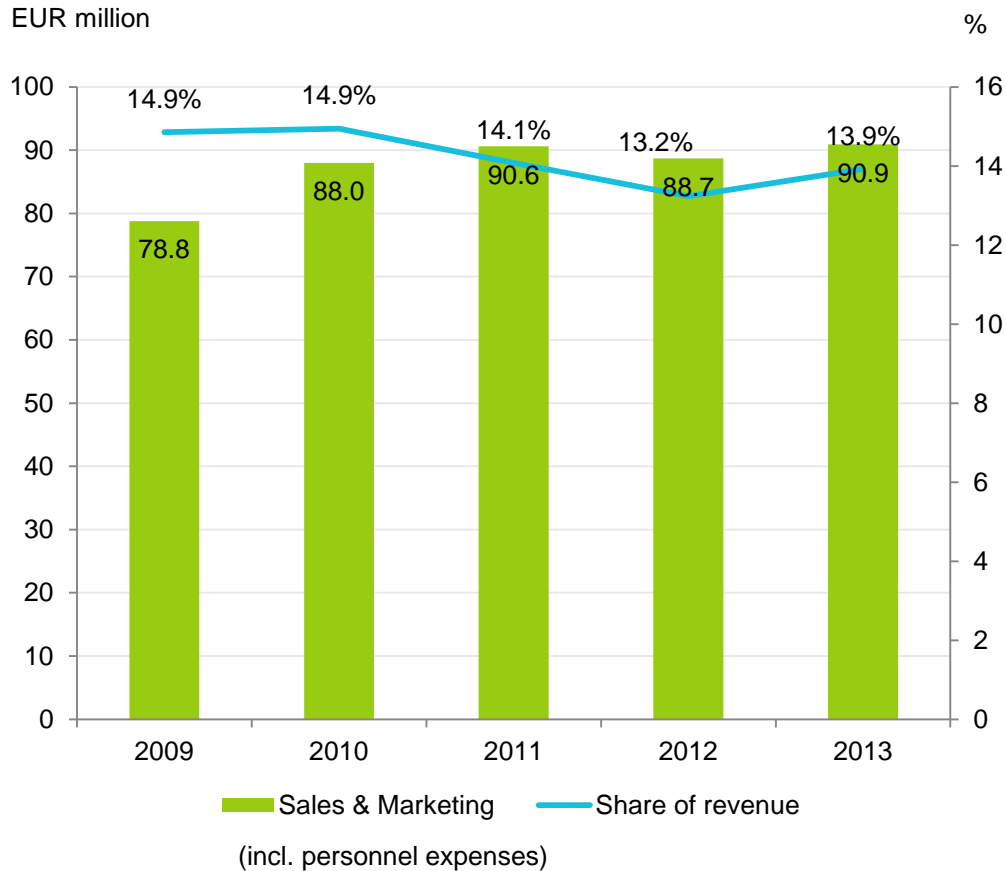
Alcro



Aided awareness

Sources: Taloustutkimus 2014, Nepa 2014, Gfk 2012, Saar Poll LLC 2013

Sales & Marketing



- Tikkurila's S&M expenses account for 14% of revenue
- For the sake of comparison, RDI expenses account for 1,5% of revenue
- However, media costs account for only 15% of the S&M expenses
- 113 persons within marketing & brand management (one third of personnel within S&M)

Customer focus

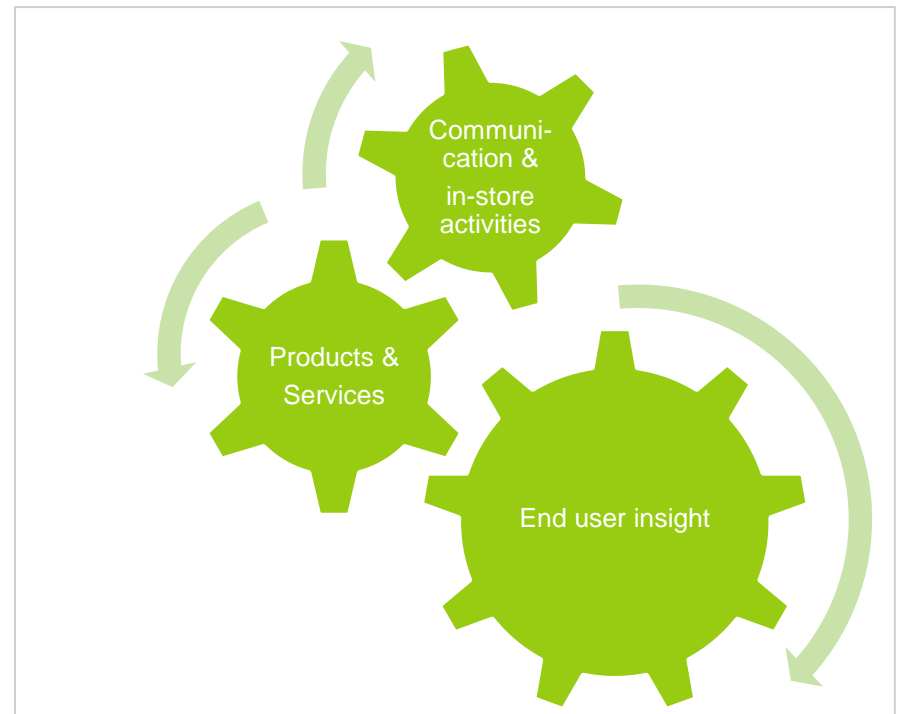
- We **add value** to our customers
 - Consumers
 - Professionals
- We genuinely strive to **understand our customers' needs** and offer them novel solutions
- We help our customers to **succeed** in protection and decoration



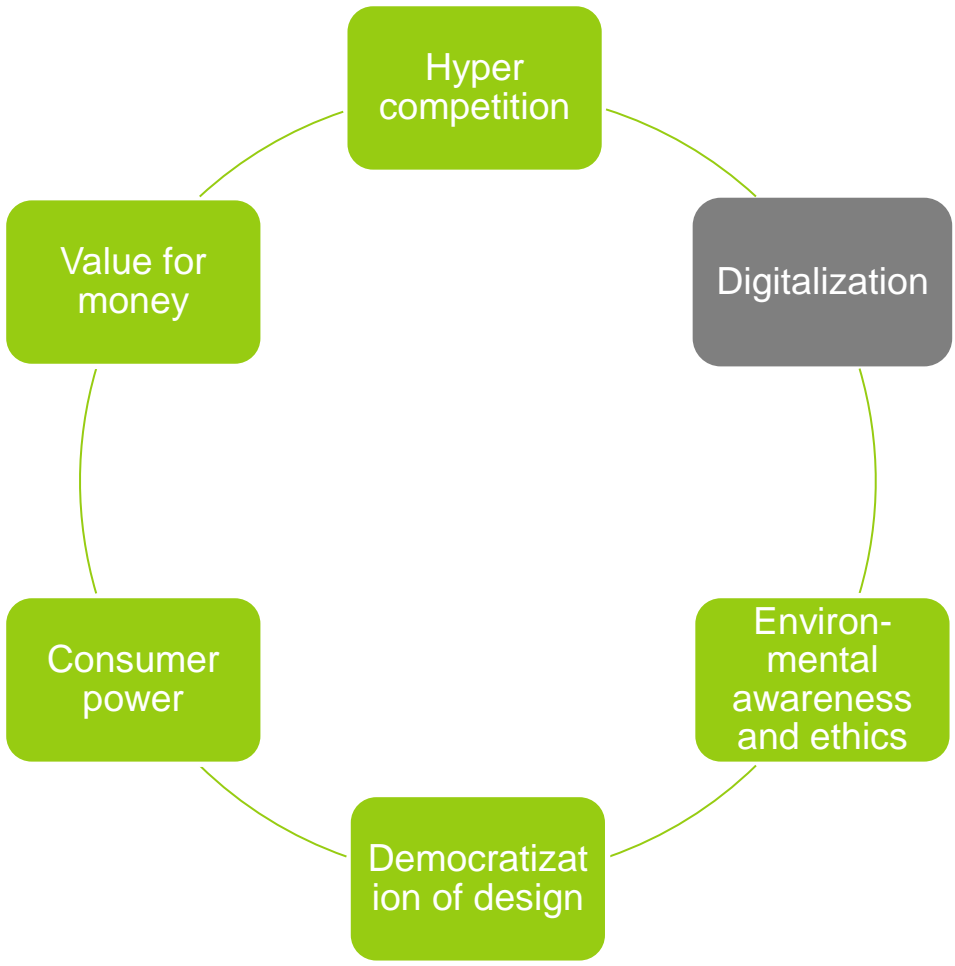
End user insight and customer feedback are gathered through several channels

- Common market survey structure to cover
 - Distributors
 - Consumers
 - Professional painters
 - Influencers, architects, and specifiers
- Nominated Insight Manager on all major markets
- Help line
- Sales representatives

Marketing machinery

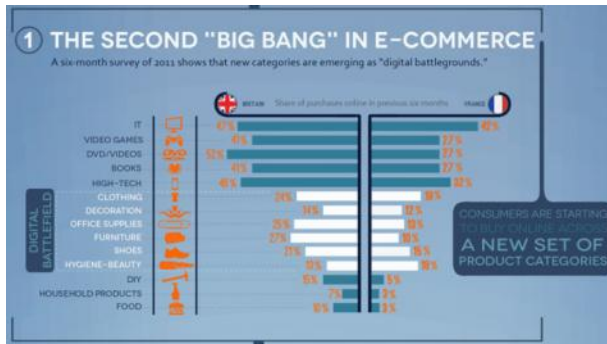


Some key trends impacting our operations

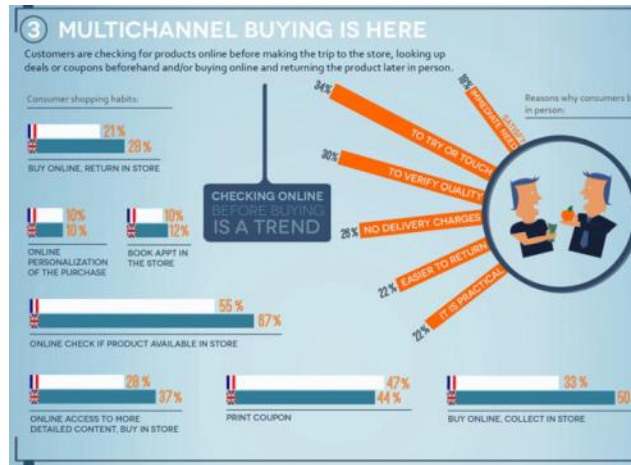


Consumer behavior is changing and digital touch points becoming critical

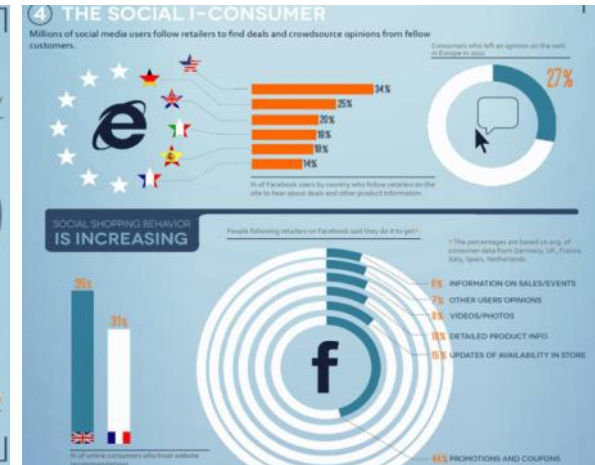
Consumers buying online in more categories all the time



Checking online before buying is a trend



Social shopping behavior is increasing



Our focus in digital development

Digital services to create value for customers, to help them in their tasks

Customer dialogue and relationships to know, to **understand** our customers, and to provide excellent **user experience** regardless of touch point

Digital marketing to reach/ engage with customers better, to provide a branded experience online, and to utilize digital channels/ touch points with more impact

Examples of our digital services



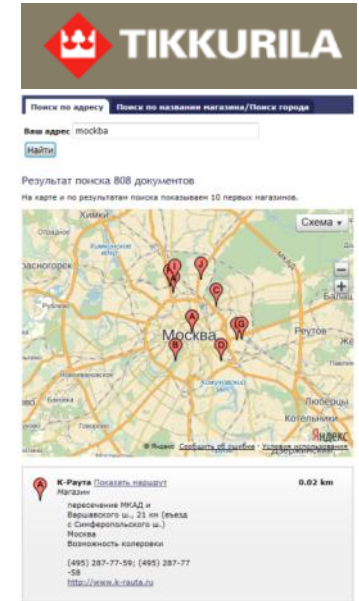
Product search, Sweden



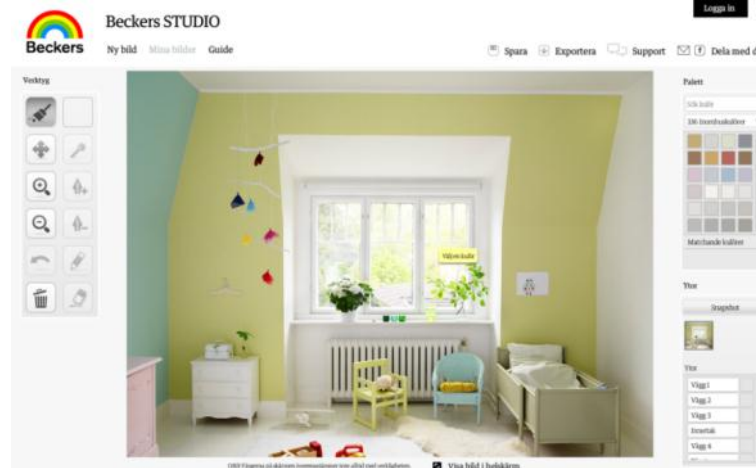
Ordering of samples & marketing material, Sweden



Contractor search, Finland



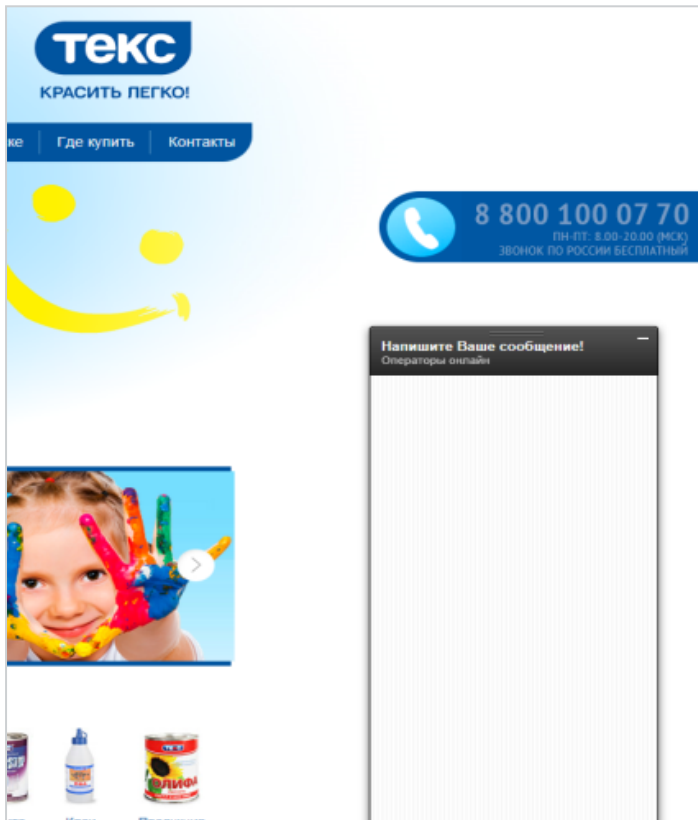
Retailer search, Russia



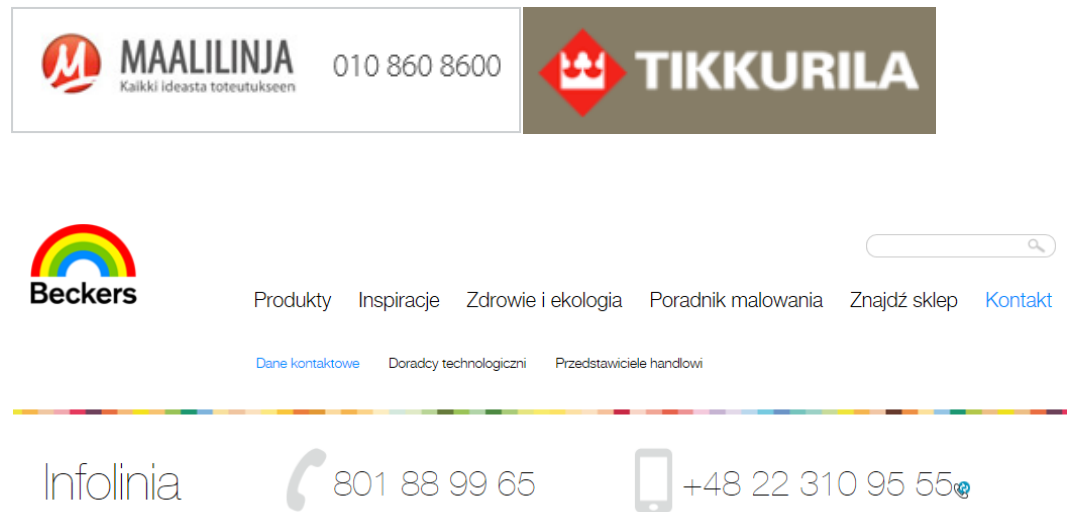
Visualizing colors, Sweden

Customer dialogue

Online chat



Helplines



Social Media

facebook

Sähköposti tai puhelin Salasana Kirjautu sisään

Pidä minut sisäänkirjautuneena Unohditko salasanasi?

ALCRO - vi som älskar att måla on Facebookissa.

Rekisteröydy Facebookin nyt ja saat yhteyden käyttäjään ALCRO - vi som älskar att måla.

[Rekisteröydy](#) [Kirjautu sisään](#)



ALCRO - vi som älskar att måla
7 066 tykkäystä · 73 puhuu tästä

Yritys
Besök vår blogg, www.trend.alcro.se och prenumera på vårt trendtidskrick.

Tietoja Kuvat Tykkäämiset 7 066 Tävling! Vinn Biljetter till Stora Trenddagen!

Alcro Täving: Stora...

vk

sign up

Phone or email

Password

[Log in](#) [Sign up](#)

Forgot your password?

Open community

Tikkurila - сина цвета
Все о дизайне, интерьерах и ярких цветах!


Покрашено Tikkurila: загородный дом в скандинавском стиле

Небольшой дом в Подмоскowie как будто перенесся из пейзажей Финляндии или Норвегии – именно к такому эффекту стремились его хозяева, молодая пара Жена и Наташа. Было решено строить дом по скандинавской технологии, с применением тех материалов, которые производятся и используются в Северной Европе: крыша Ruukki, мебель IKEA и, конечно же, краска Tikkurila.

Скандинавский стиль выдержан и в цветовой гамме (яркий синий цвет фасада в сочетании с чистыми светлыми оттенками стен внутри), и в оформлении всех комнат (простой паркет, функциональная мебель и небольшие яркие мелочи в качестве аксессуаров).

Фото: Викки Богородская для The Village: <http://www.the-village.ru/village/city/interior/14086..>

#tikkurila_DIY



TIKKURILA

Members
10,191 people

Natalya Natali Vlad

facebook

Sähköposti tai puhelin Salasana Kirjautu sisään

Pidä minut sisäänkirjautuneena Unohditko salasanasi?

Vivacolor Eesti on Facebookissa.

Rekisteröydy Facebookin nyt ja saat yhteyden käyttäjään Vivacolor Eesti.

[Rekisteröydy](#) [Kirjautu sisään](#)



Vivacolor Eesti
8 976 tykkäystä · 358 puhuu tästä

Katso muistoja:
Vivacolor 70 vuotta tead kasulikkeid ja heledaid ideid värvida ning värvitse kotta.

Tehje Kuvat Kaustikaikander Oula ja Ylläzer 8 976 Tykkäämiset

MINU TÄRKEIMMÄT KODU

Vivacolor Eesti
24. heinäkuuta 2016

Muista värikkäät juhlat alustaa Vivacolor Eesti [Näytä kaikki](#)

Saara Sirje Madisson
Vivacolor on super!
24. heinäkuuta kello 5:38

Aleksandra Liits
Alto rasat ja puhtat värvid
22. heinäkuuta kello 23:38

Alli Ankonian
Värvide maailm on ilat
19. heinäkuuta kello 16:55

Klõps, klõps, klõps! Tee üks mõnus pilt oma terviseõbralkust kodust ning osale meie auhinnamängus: <http://on.fb.me/1uTPWtd>

Jaga seda postitust, kui Sinu pilt osaleb juba meie auhinnamängus 🍀

Pinterest

Tervetuloa!
Liity Pinterestiin... Se onnistuu kirjaimellisesti minuutissa.

[Hanki tili](#) [Kirjautu sisään](#)

Tikkurila - Värien voimaa

Tikkurila on suomalainen maalinväriä. Haluamme inspiroida värien käyttöön ja luovaan maalaamiseen! www.tikkurila.fi

Vantaa, Finland · www.tikkurila.fi · [Twitter](#)

8 tykkäystä [Seuraa kaikkia](#)

Pin-lisäyksiä täältä:

- Satu (Meän Satu)
- Milanesa
- Kotijuttuja

Tunne Väri -värikokeelma / Fe
Tikkurila - Värien voimaa

263 Pin-lisäystä

[Seuraa](#)

Caisa K -värikartta
Tikkurila - Värien voimaa

4 Pin-lisäystä

[Seuraa](#)

Maalausideat seinini / Painting
Tikkurila - Värien voimaa

141 Pin-lisäystä

[Seuraa](#)

Maalausideat kalusteille / Pair
Tikkurila - Värien voimaa

56 Pin-lisäystä

[Seuraa](#)

Maalausideat lattioihin / Painti
Tikkurila - Värien voimaa

17 Pin-lisäystä

[Seuraa](#)

Marketing campaigns

TIKKURILA
VÄRIEN VOIMAA

LÄHDE MUKAAN MUUTTUMISLEIKKIIN!

Voit voittaa 3 000 euron arvoisen matkalahjakortin!

Tiiraillepa tiluksiasi sillä silmällä. Kehystääkö pihapiiriäsi apean näköinen aita vai pönöttääkö pihasi perukoilla uskonsa menettänyt ulkokaluste? Älä huoli, vaan lähde mukaan Tikkurilan Muuttumisleikkiin ja pistä pihamaasi uuteen kuosiin. Voit voittaa 3 000 euron arvoisen matkalahjakortin.

LUO OMA KOHDE >

33 kohdetta yhteensä

6	6	3	6	12

RAMI

Saat -50% telinevuokrasta kun ostat 50 litraa maalia. Lue lisää!

Loyal customers are the most valuable ones – they give continuity to your business



Loyal customers are a valuable asset

Loyalty is about emotion, not logic, and it is about the customer experience

Better customer experience will increase satisfaction and loyalty



Loyalty drivers

PRODUCTS

- Range and quality of our products

BRAND

- Differentiated from our competitors

SERVICES

- Services addressing end customer needs

CUSTOMER EXPERIENCE

- Customer experience throughout the customer journey

Comprehensive range of quality products for outdoor and indoor painting



Products

- We have a strong quality image
- Our focus is on the premium segment
- Product portfolio was modified radically during 2013 to serve all segments
- Properties of existing products are continuously improved
- New products and functionalities are developed and launched



Group product portfolio management supports growth and efficiency

- Group product portfolio managers for major product segments
- Creating product area strategies that are translated into RDI road maps
- Reduced amount of different raw materials used
- Shared formulations
- Harmonization of packaging sizes
- Streamline usage of packaging decoration techniques
- Systematic monitoring of SKU development



We are a company of strong brands



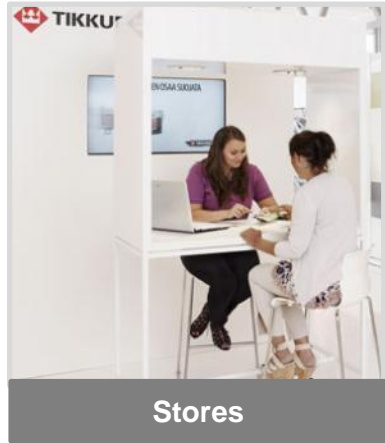
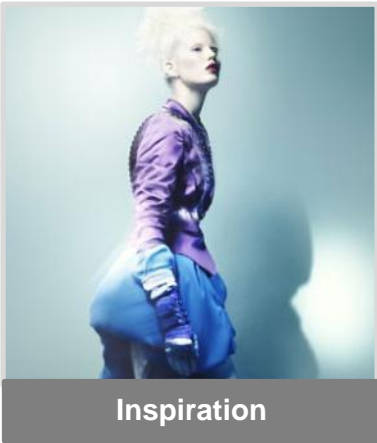
- Brands add value that the customer is willing to pay for, hence a tool to profitable sales
- Aim of marketing is to increase demand and by doing this to increase sales

How to differentiate brands from competition?

1. Ensure that what you stand for is crystal clear, relevant and differentiating
2. Consistently delivered from customer point of view with 360 degree and long-term perspective
3. Supported by efficient sales and marketing activities



Customer experience: We help our customers to succeed in surface protection and decoration

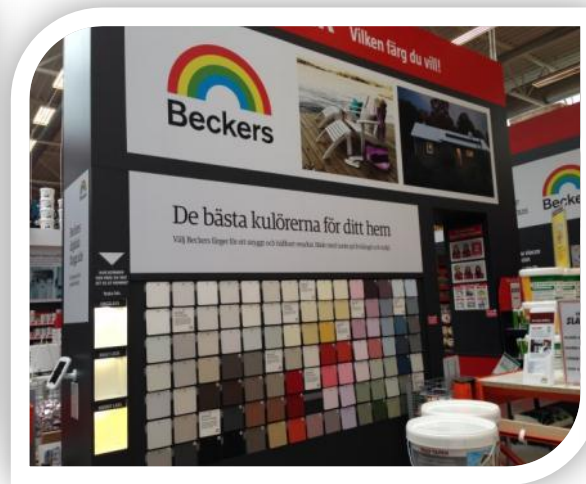


Retail concepts

- Helping paint retailers succeed.
- Making paint buying a pleasant experience.
- Increasing the popularity of painting among people interested in interior design.



Vario concept Finland



Concept for Bauhaus Sweden



Jedynka Shop in shop, Poland

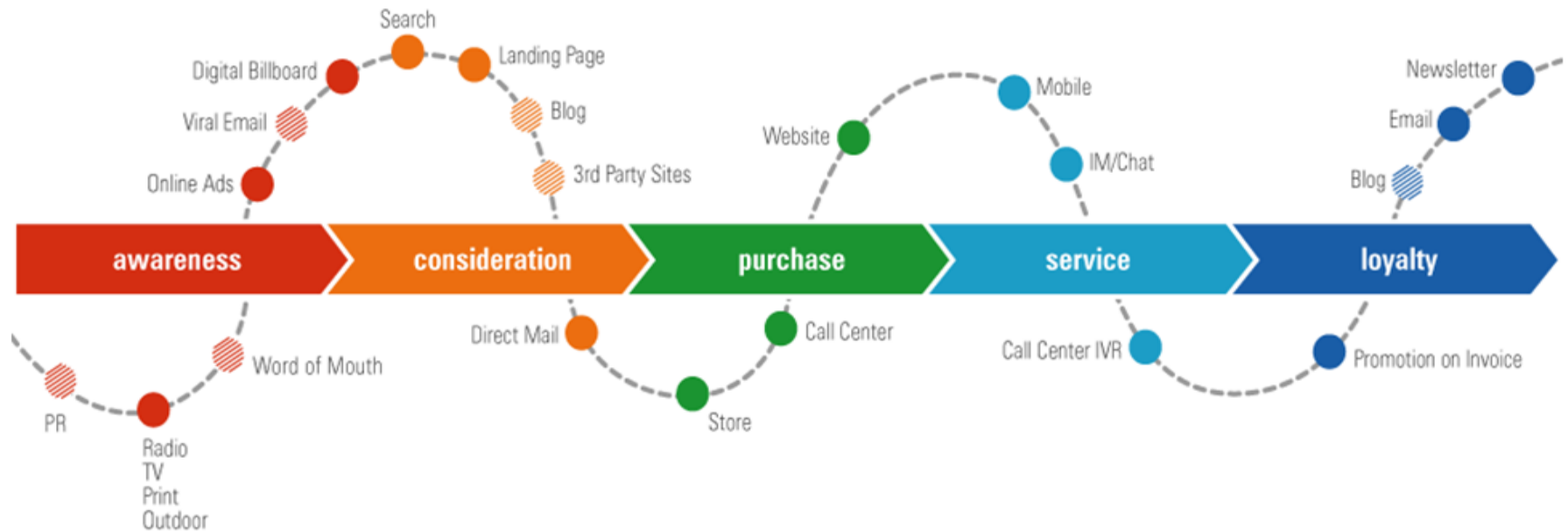
We are improving our concept for the professionals

- New Group-level position established to develop our offering to the professional users
- Professional shops in Scandinavia with updated concept
- Our professional pilot shops offer a new way of serving professional painters with paint and paint-related tools



Customer experience is a sum of all interactions with the brand throughout the customer journey

Digital Touchpoints



Physical Touchpoints

Tikkurila supports its customers throughout the painting process

Consumer driven journey in interior paints



Need arises, dreaming and planning

- Advertising and PR
- Blogs and other social media
- Other presence and influencing
- Our websites



Preparing

- Gathering information and ideas from our websites
- Guidance and support for choosing products and colors (helpline)
- Designer pool



Buying

- Familiarizing oneself with the product portfolio
- Contact with the sales personnel
- Choosing the product and color
- Tinting



Painting

- Guidance and instructions on our website
- Support from our helplines
- Contractor pool



Experiencing the result

Source: Focus groups March 2014; Finland and Poland Inspirans Ltd, Russia OK Research

Profitable growth

- Strong, well managed brands
- Deliver the best customer experience and be the most recommended brand
- Improve effectiveness to free resources for investments in product development and marketing



Q&A

