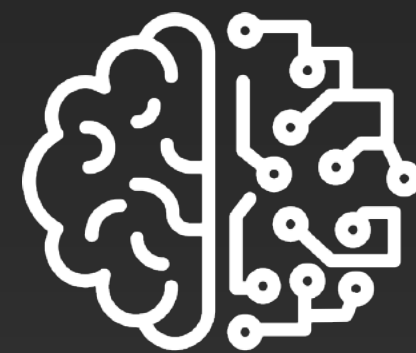


# Digital Brand Leadership

vibrand® survey 2021



Shoot for the stars, but if you happen to miss shoot for the moon instead.

Neil Armstrong  
(first human on the moon)

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## EXECUTIVE SUMMARY

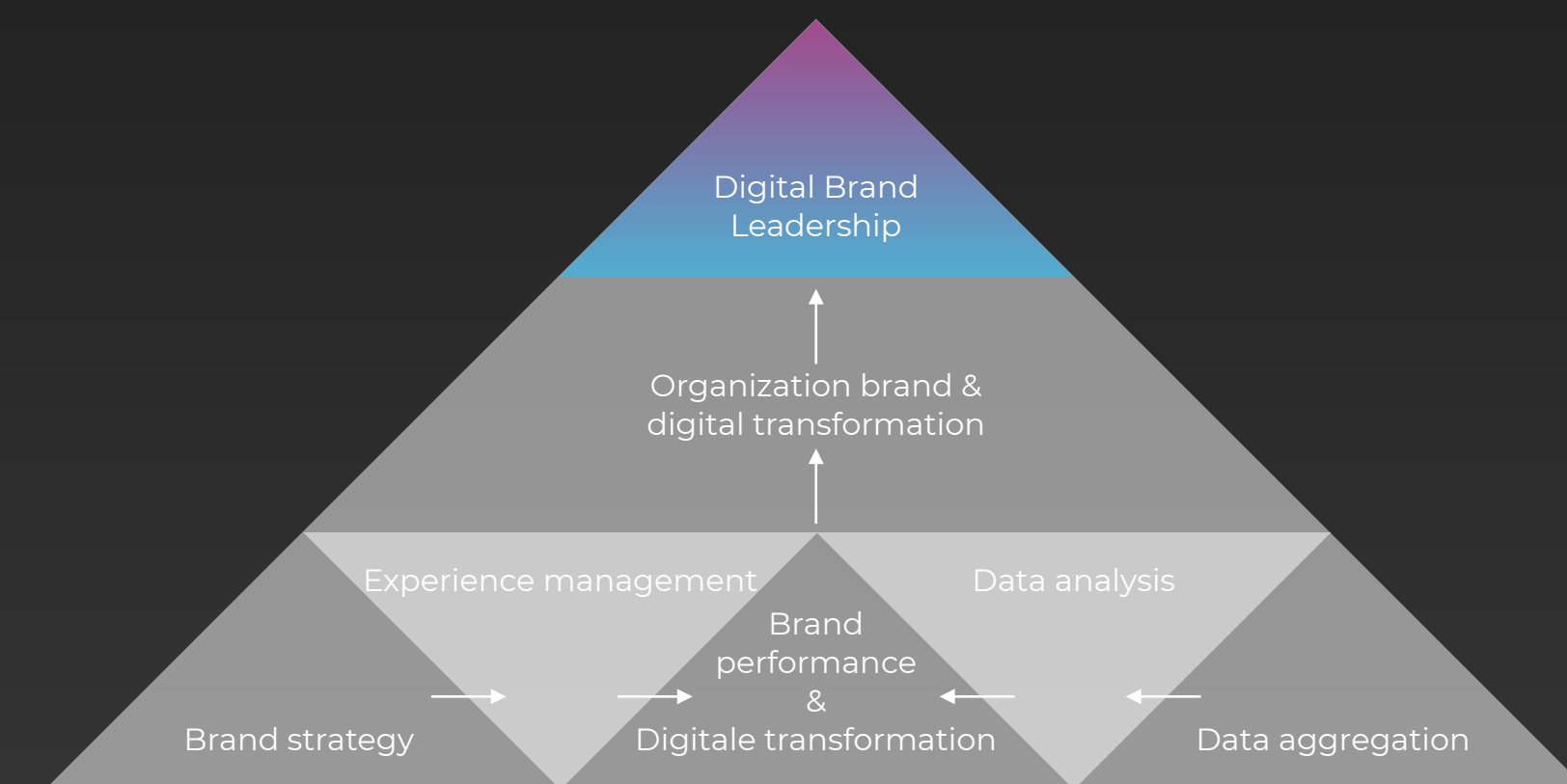
This qualitative study conducted around Q3 2021 among 26 managers from the B2B and industrial sectors as well as the real estate industry in Austria, Germany and Switzerland shows the challenges and approaches arising from digitalization and the associated aspects for brand management. The most essential points can be summarized as follows:

1. While virtually all companies are affected by Industry 4.0 and digital transformation and are dealing with them to varying degrees of intensity, only about one-third of managers consider their own level of digital maturity to be sufficient.
2. The digital transformation has received a strong boost from various sources - in addition to the Corona crisis, these include the trend toward taking ESG (environmental, social, governance) into account in corporate management, but also the fulfillment of the three classic digital levels, i.e., the availability of the right data in the appropriate quality, the standardization of system landscapes and the associated processes, and finally the further development of existing business models and thus corporate strategies.
3. The brand is seen as an increasingly important asset in competition - not only as a driver of corporate value, but also as a means of effectively presenting and communicating one's own content to the outside world, and ultimately as a tool for positioning oneself as an attractive employer to key employees.
4. However, according to the assessment of our interviewees - especially in Central Europe - there are still a number of obstacles to realization; the apparently little widespread knowledge of the three digital levels mentioned above is a key challenge, as this means that in many organizations there is insufficient structuring of the digital transformation; coupled with inadequate visions and strategies and a management that is not fully on board, as well as a corporate culture that is averse to change, key obstacles are identified here.
5. Achieving the corresponding transformation capability requires concrete goals broken down to detailed areas - according to the assessments of our interviewees, it is less the fear of losing power in the organizations than often the fundamentally change-resistant corporate culture and widespread lack of expertise; however, on the basis of a comprehensible vision and strategy, equipped with sufficient personnel expertise and freedom in the company, the digital & brand transformation can succeed in a well-dosed, sufficiently flexible KPI target corridor.

The findings from the stimulating and inspiring discussions show relatively clearly that there is still work to be done in the organizations if they want to use the transformation in digital and thus the brand for their own competitive strength. With surprising clarity, the lack of structuring, strategic alignment, but also personnel and cultural obstacles were outlined by the interviewees. Equally remarkable is the consensus on the "hardware-heartedness" and transformation resistance in our established, Central European industries.

In this sense, the inputs can be understood as a wake-up call to understand the signs of the times, to jettison "fig leaf projecting" and half-hearted approaches, and to turn to the new opportunities before they are adopted by other competitors who may not even be on the radar today. In any case, the results encourage us to continue on the path for improved synchronization of digital and brand transformation and to push ahead.

Achieving digital brand leadership remains the top priority and can be realized by structuring and skillfully merging the brand and digitization process:



## EXECUTIVE SUMMARY - KEY TAKEAWAYS

### 5) TRANSFORMABILITY

With the appropriate personnel expertise, sufficient structure, room for maneuver and adequate objectives, the transformation - based on a comprehensible vision & strategy - can succeed.



### 1) DIGITAL MATURITY

Only about 1/3 of respondents consider their own company to be sufficiently digitally mature.



## DIGITAL BRAND LEADERSHIP STUDY

### 4) REALIZATION HURDLES

Insufficient strategies, a lack of commitment on the part of management, incompatible corporate cultures and the resulting lack of structure in the programs are the main obstacles to successful implementation.



### 2) DIGITAL ACCELERATION

The Corona crisis, in addition to other drivers such as ESG, has brought about a dynamization - the pressure from the general increase in digitalization remains as a constant factor, of course.



### 3) BRAND AS AN ASSET

The brand is increasingly being recognized as an important driver of corporate performance - especially for communicating content & positioning as an attractive employer to key employees.

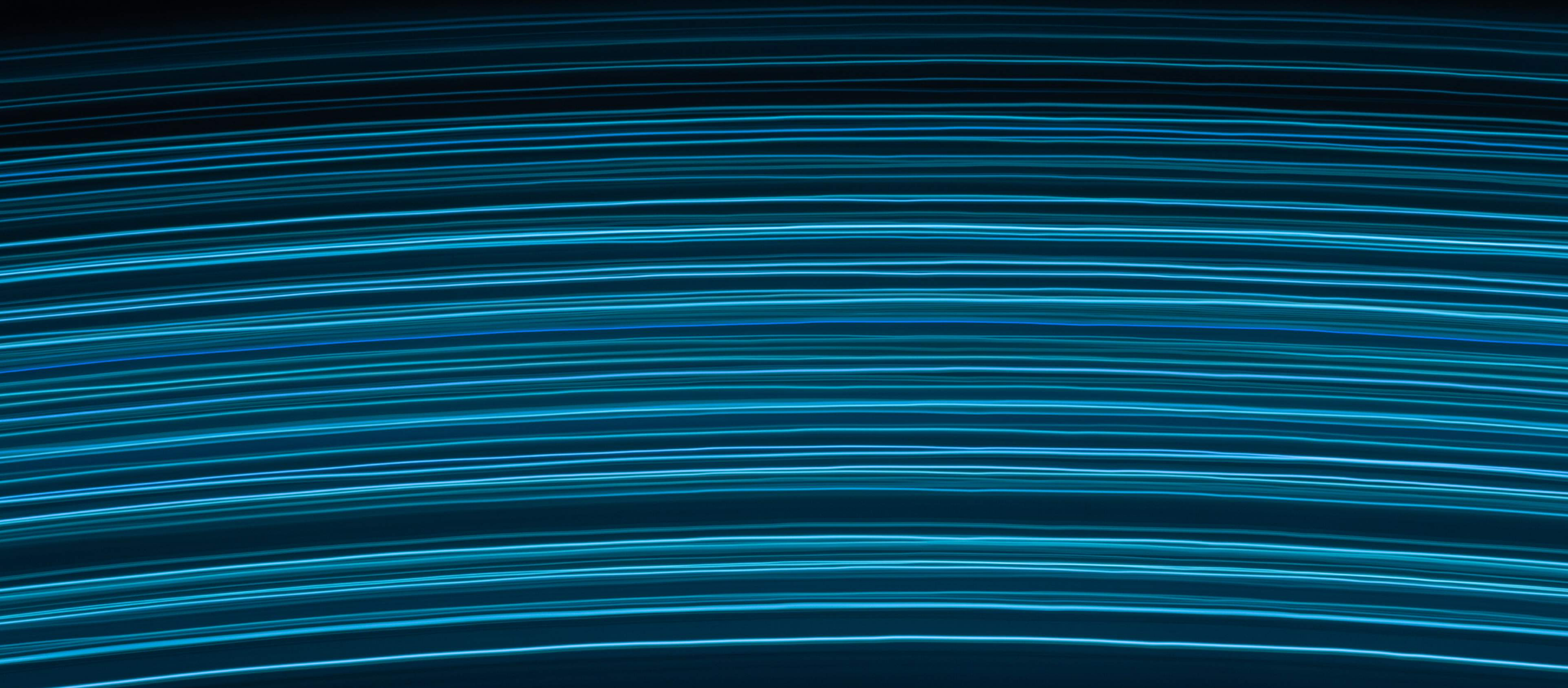


**"Digital transformation & brand relevance have arrived in the mind of companies - but the realities are lagging behind."**

Oliver Schmitt, vibrant® survey, 2021

## A FEW FIGURES

We first asked participants about some challenging statements.



no  
7 %



yes  
93 %

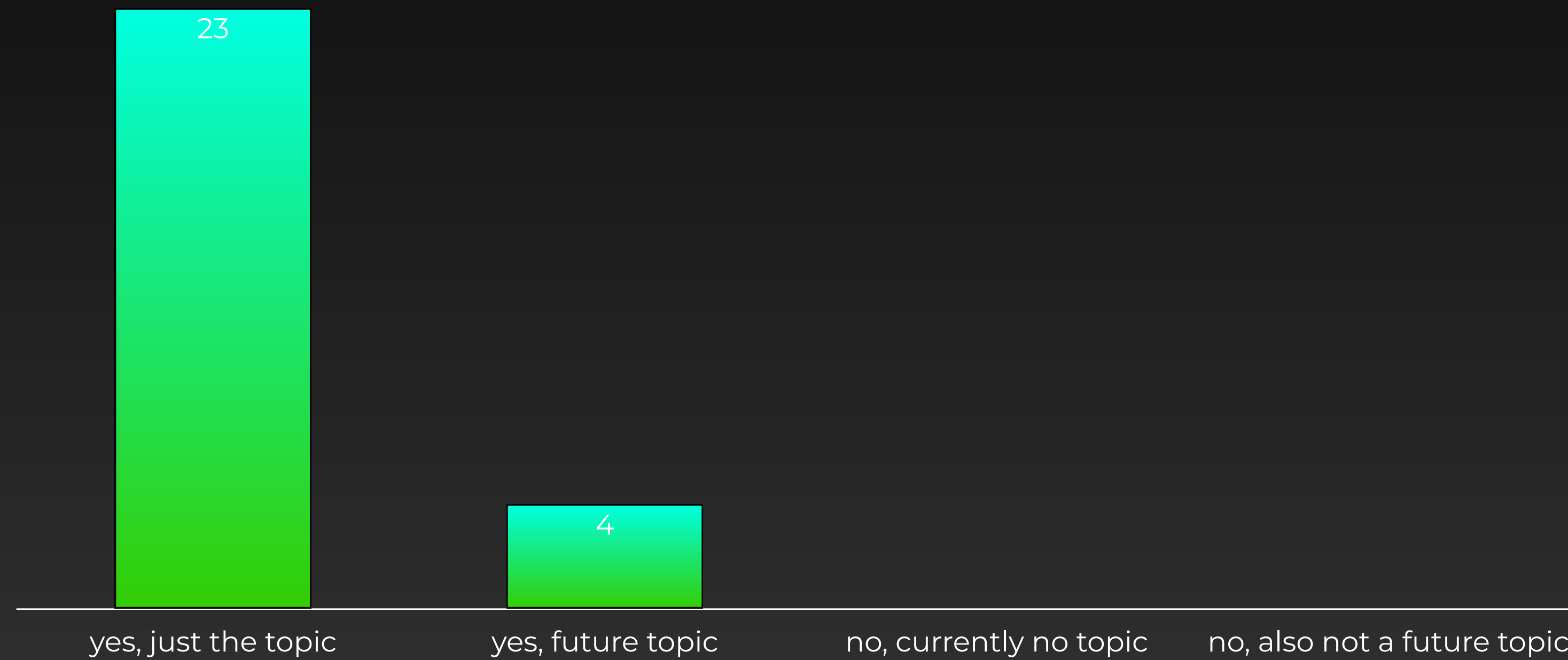
Virtually all companies are affected - but how ready are they for it?





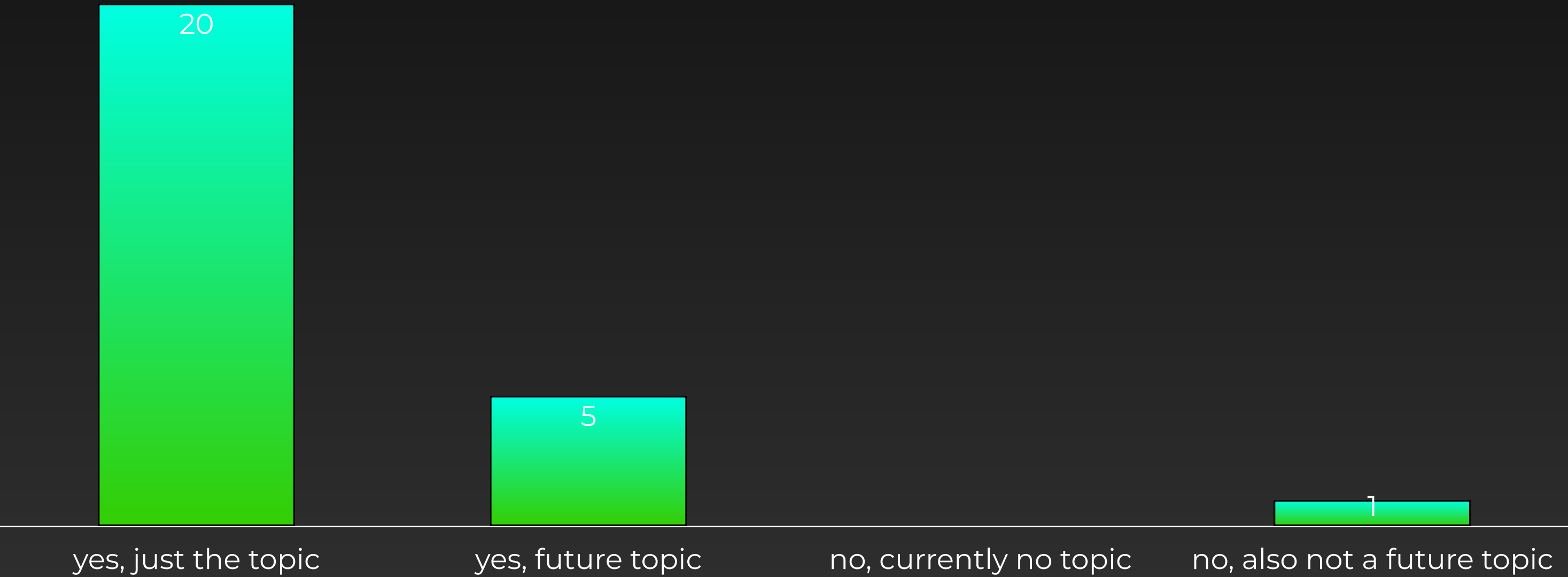
Only a strong third consider their own level of digital maturity to be sufficient.

„We are currently working on the following areas:  
**Technology** (e.g., cloud computing, AI, IoT, blockchain, etc.).“



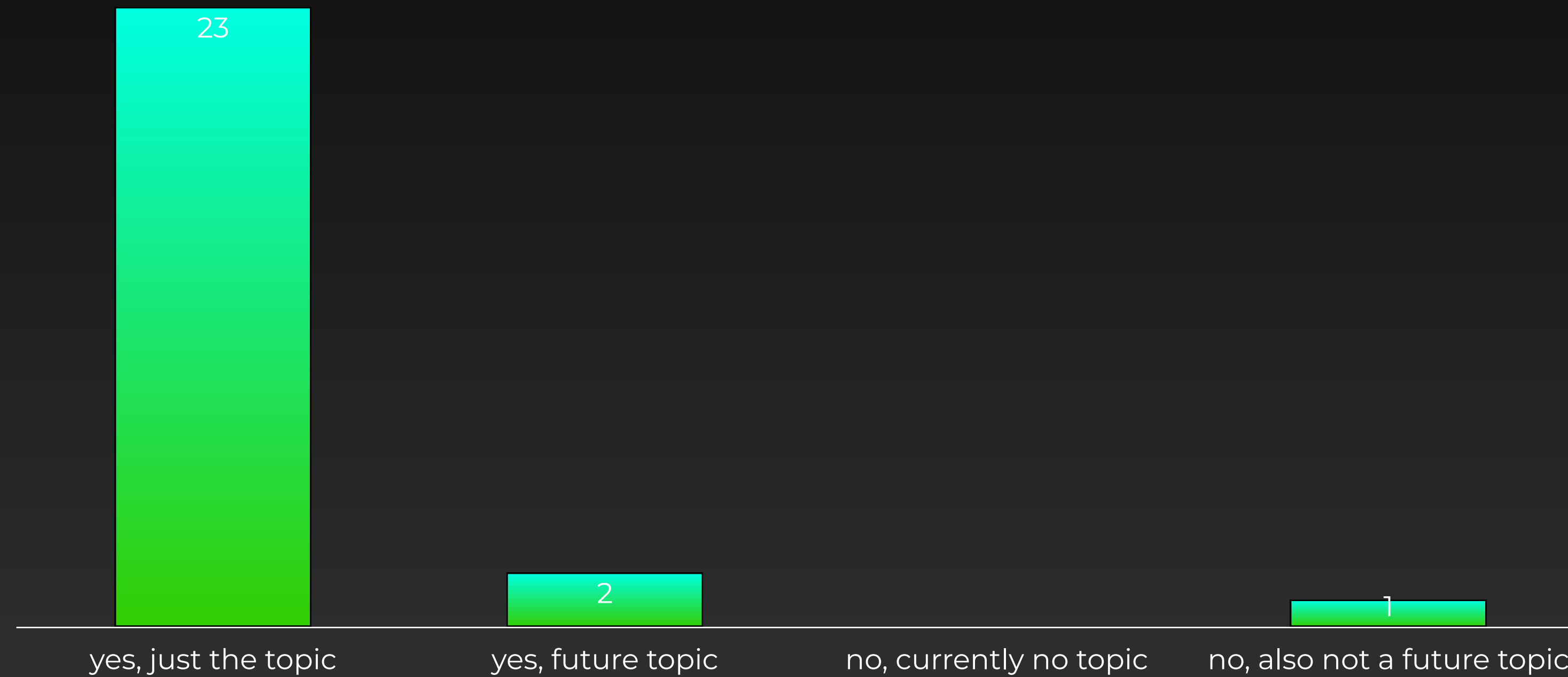
The vast majority are just working on technological issues.

„We are currently working on the following areas:  
**Management / processes** (e.g. automation, customer intelligence, corporate culture, etc.)“



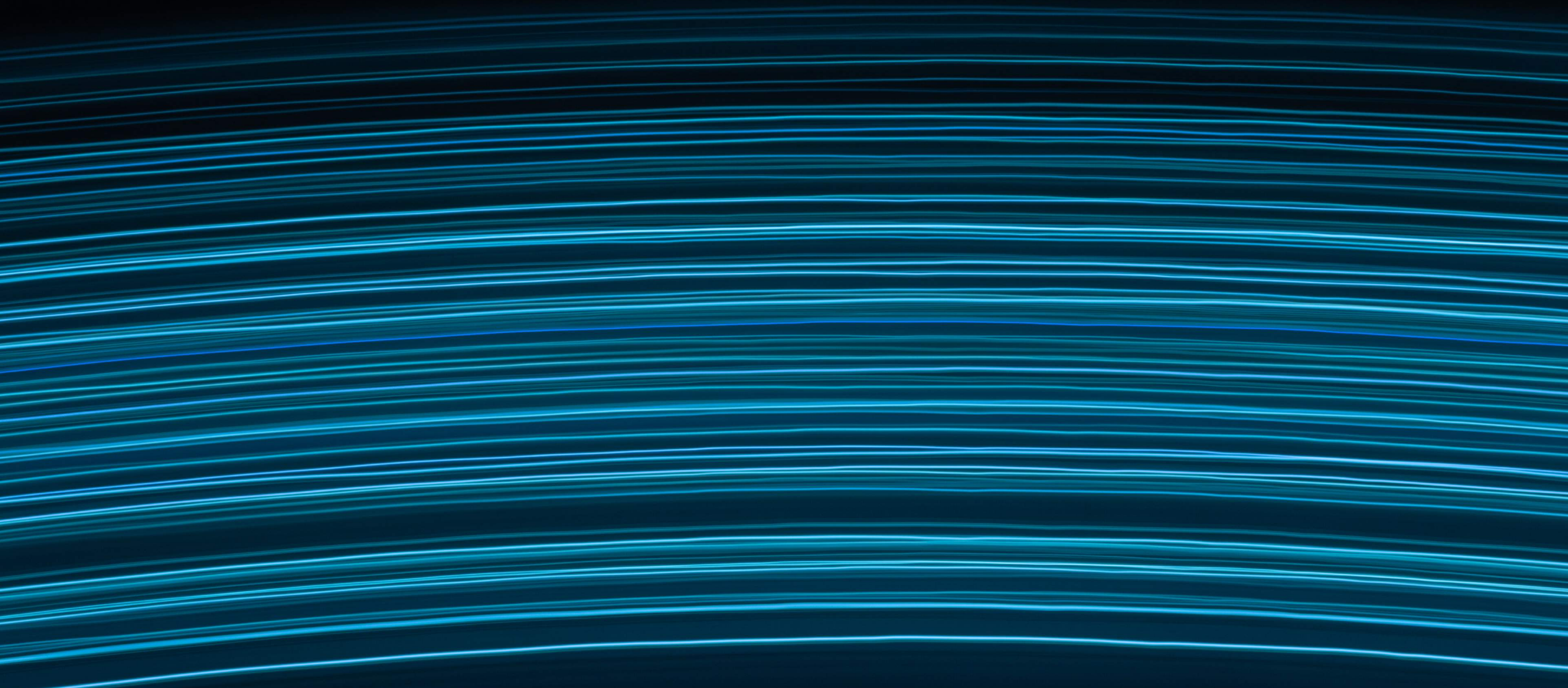
The area of management and processes is also a focus or future topic for almost all companies.

„We are currently working on the following areas:  
**Strategy** (e.g. digital innovations, business model transformation, etc.)“



And almost all companies are also dealing with the strategy level - or see it as a future task.

FINDINGS



# Synchronization Brand & Digital

## STATUS

Our survey clearly shows that a large proportion of companies are in the process of strategically realigning themselves as part of the digital transformation. This reveals that the conditions are very different: while one part identifies deficits in brand management and a lack of synchronization with digitization, the other is seizing the opportunity. The latter is using the driver of digitization to also rebuild and expand its brand management. The Corona crisis has brought an additional acceleration in development.

The interviewees also frequently stated that unfavorable structures in brand management and digitization cause problems - and these are both external and internal. In this sense, strongly split brand management in accordance with diversified external market orientation was mentioned, as were isolated solutions arising from the internal organizational structure. The background to this is often the lack of clear strategies with regard to digitization and brand management - companies often struggle here with the complexity of the two topics.

There is fundamental agreement that digitization should be understood as a tool and enabler and should be implemented with a plan. However, this seems to be a central problem, which will be examined further in the next questions.

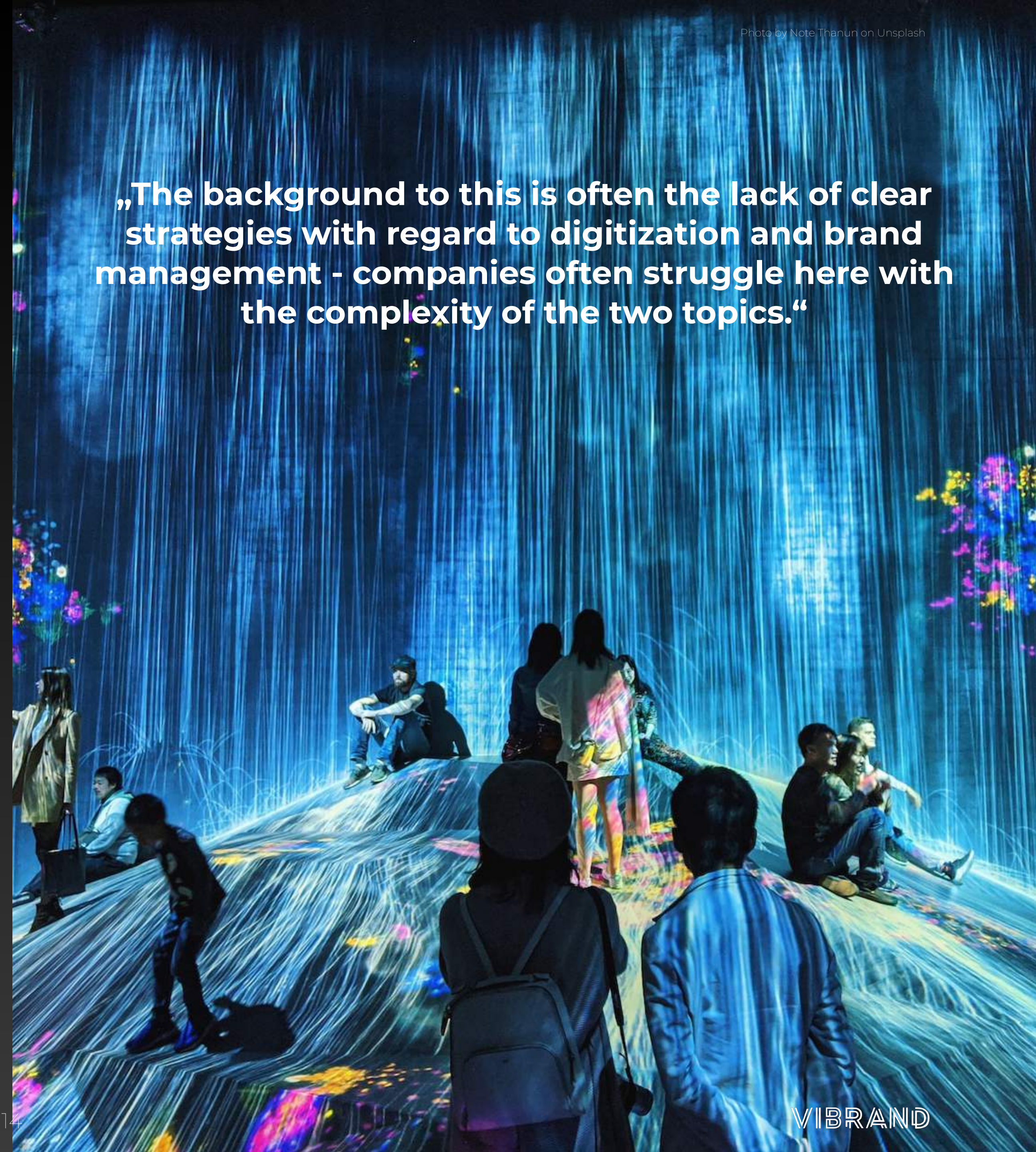
## APPROACHES

A broad spectrum was mentioned as area of activity, ranging from the basic availability of the right data in the appropriate quality to strengthening positioning. The need to become more attractive as an employer brand was cited several times. In addition, current initiatives in the area of ESG (Environmental, Social, Governance) bring an acceleration for the development of Digital Transformation, Brand Management and Business Model Transformation.

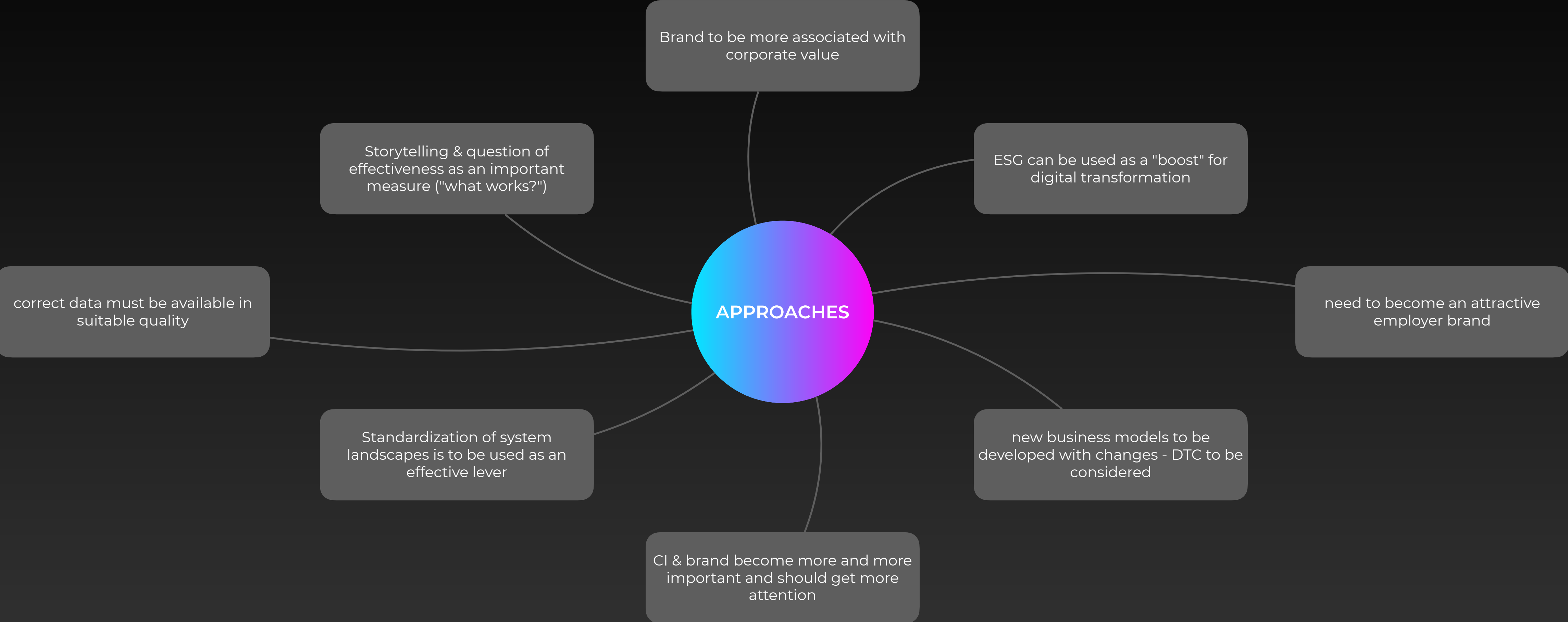
While some questioned the extent to which brands in B2B can be supercharged by digitalization, others cited the urgent need for change management and conquering new markets through an improved e-commerce model.

The interviewees confirmed that professional brand management is becoming increasingly important, especially in the wake of digitization. Approaches are also seen as necessary in the areas of storytelling, effectiveness analysis, standardization, a greater focus on brand umbrella and architecture, and also the further development of the sales structure in the direction of DTC (direct-to-consumer).

**„The background to this is often the lack of clear strategies with regard to digitization and brand management - companies often struggle here with the complexity of the two topics.“**



# Synchronization Brand & Digital | 8 identified key directions



# Synchronization Brand & Digital

## TARGET VISION

The target picture for the question of synchronizing brand & digital resulted in a scenario illustrated by the following points:

- Brand management is driven **from the top management level**
- Brand and company is externally **comprehensible & constantly relevant**
- B2B challenges are mastered through **brand leadership**
- Digitization potential is **leveraged across the entire value chain**
- The brand is managed "digitally first" and **customer centricity** is thus automatically guaranteed



**„It's logical that digitization should also make a difference on the revenue side and thus opportunities should be better exploited - and that also goes hand in hand with brand strategy.“**

Herwig Teufelsdorfer, CIO S Immo AG

# Realization level & obstacles

## STATUS

Basically, the picture that emerges in most companies is one of various digitization projects, in some cases a large number of them. Whereas the minority indicate good progress with this, the majority complain about various difficulties with this process: from the inertia of classic industry to outdated systems to resistance in management, which sees no clear advantage for itself, and to the lack of structuring, which prevents rapid progress.

Time and again, the "hardware-heavy" nature of established organizations and their cultures was cited. The focus on operations - especially products and sales - and the subordinate treatment of all other topics would lead even companies with good products to fall behind in the medium to long term. In any case, digitization and brand in combination are seen as a powerful and complex task. The fear of "trial & error" seems to be specific to Europe.

However, other trends are also emerging: for example, the IT focus is currently changing to a proactive role in many companies, and some companies report innovative activities that extend to app developments and spin-offs in completely new business areas. Companies with exceptional innovation and transformational drive appear to be, on the one hand, family-run organizations - where the successor generation has taken the helm - and those with particularly bold and visionary top management. These range from innovation hubs and university collaborations to a completely new strategic direction and digitization of the company within a few months - fueled by the effects of the Corona crisis.

## APPROACHES

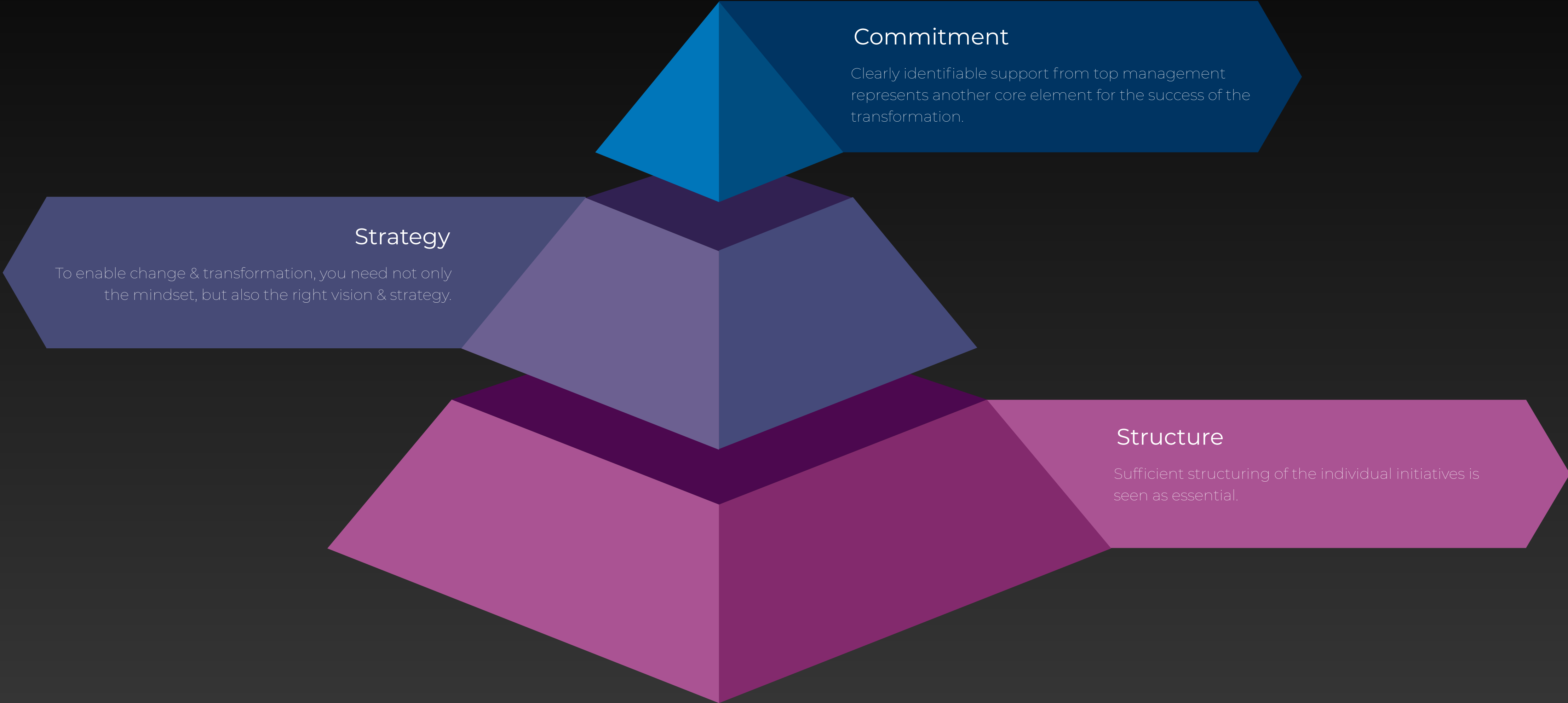
In many cases, clear target agreements were mentioned as a means of overcoming internal barriers. Technically oriented companies want to assign more importance to their brands - especially in the battle for talent.

Since digitization topics are often very costly, partnerships are becoming more and more important, so care should be taken not to build a comprehensive platform right away. Focusing and structuring in meaningful focus programs seems to make sense.

Optimal structuring and the abandonment of silos, as well as overcoming the orientation to individual tasks, represent the repeatedly mentioned be-all and end-all of a successful transformation in both areas. The interviewees repeatedly emphasized that appropriate change management must be established. Importance was also attached to raising awareness of what brand means in this context.

**„Optimal structuring and the abandonment of silos, as well as overcoming the orientation to individual tasks, represent the repeatedly mentioned be-all and end-all of a successful transformation in both areas.“**

Realisation level & obstacles | **3 essential key elements**



# Realization level & obstacles

## TARGET VISION

The main obstacles to implementation were the aforementioned issues of structuring and systematization, breaking down silos, and support from top management. The latter point was cited particularly often by the interviewees:

- Digital and brand transformation is **anchored at the top level and broken down to team level**
- **Holistic thinking** - i.e., the docking of many areas with each other - is established in the organization
- There is a **clear vision and strategy** for digital transformation
- In this sense, the company sees digitization as **more than a mere potential for savings**
- Clear **systematization and structuring** of the digitization program is in place

**„Digitalization is not an issue for IT, but for the company as a whole - and it's the same with the brand.“**

Christian Erlach, Chief Sales Officer Jungheinrich AG

# Transformability

## STATUS

The ability to implement fundamental, lasting change in the company is seen by the majority of managers as crucial to success - the barriers are essentially located in three areas: firstly, in the hypothesis raised in the interviews that fear of losing power represents a major obstacle; however, only some of them followed this assumption, secondly, a fundamental change-resistant corporate culture established above all in top management is seen, and thirdly, the lack of expertise in large parts of the organizations.

The lack of a clear vision was also mentioned several times in this topic area and associated with resistance from the upper echelons. Here, it was reported in particular that the attempt to realize a process driven by "Purpose" is often organized too strongly, "top down" and is therefore not understood by many in the company. Therefore, often not enough stakeholders within the companies can be taken along.

On the other hand, it was reported several times that senior management in particular is a strong driver behind digital transformation. Courageous and strong company owners from the successor generation who are focused on innovation were cited as particularly positive examples in this context.

## APPROACHES

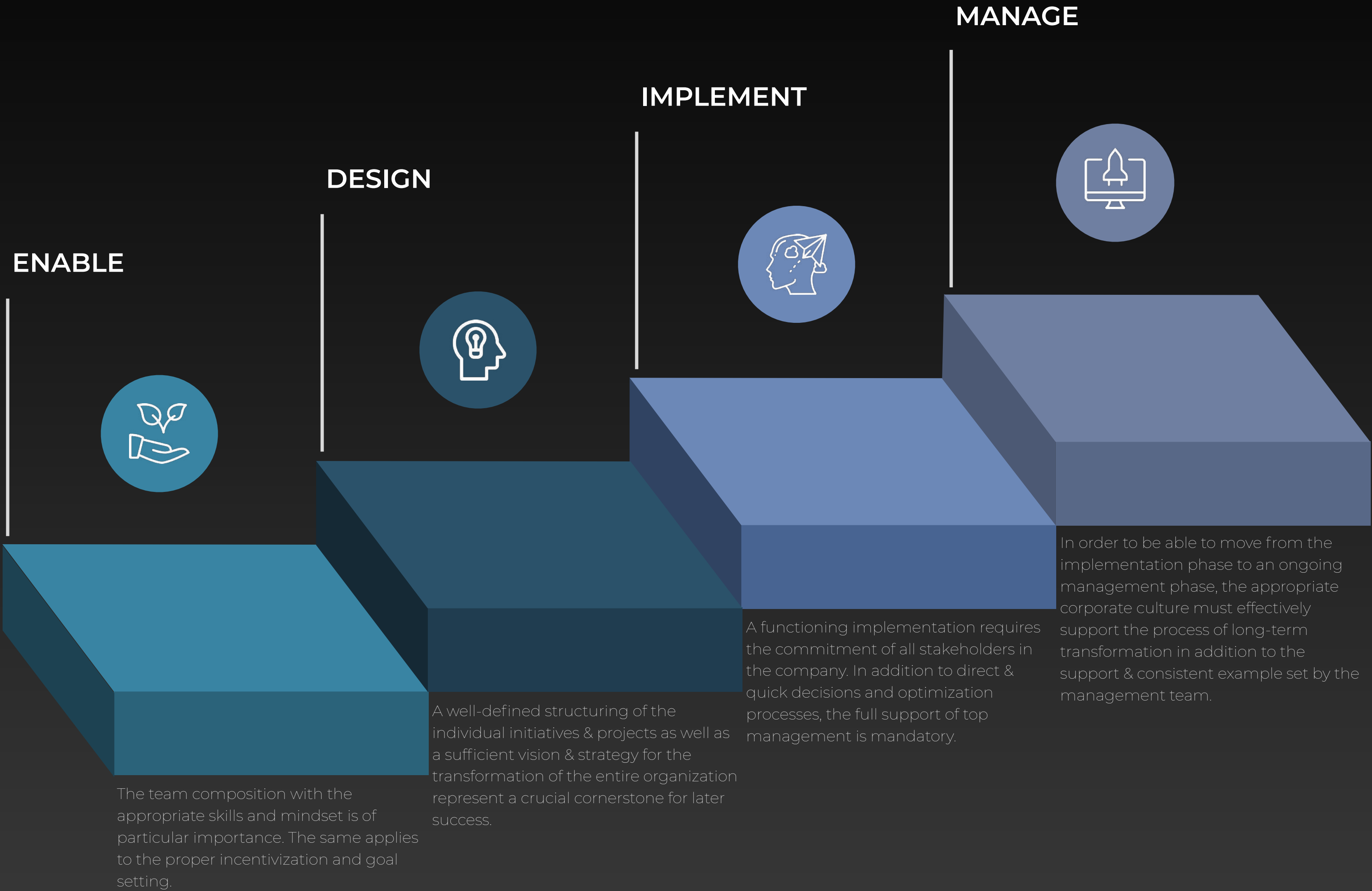
One point that is frequently addressed is the further development of the corporate culture and thus breaking it down into concrete, granular goals - this is seen as an opportunity to make people more aware of the change taking place in the company. In connection with this, training, the provision of an appropriate infrastructure, protected spaces and thus a culture of error are seen as necessary measures.

Following the logic of concrete goals, the processes should be thought of "end-to-end" and internal brand ambassadors should be installed to bring all relevant players along. In essence, understanding the need for transformation means the emergence of motivation - that's where the respondents see a key lever. In addition, they mentioned that, in addition to the target agreements at management level mentioned once again, the difference between change and transformation must be made clear as a holistic reinvention - this in order to prevent "fig leaf projects" and to exploit the company's own potential.

Clearer structuring and improved communication were also called for at this point - but with the proviso that the organization should not be overburdened and that all employees should possibly be convinced step by step with small projects.

**„In essence, understanding the need for transformation means the emergence of motivation - that's where the respondents see a key lever.“**

# Transformability | 4 steps to realization



# Transformability

## TARGET VISION

The following five key points emerged from the exchange on the ability to implement fundamental and lasting change, which can be derived as the essence from the wealth of experience of the managers surveyed.

- A **"dynamically stable" corporate culture** with the appropriate personnel skills is required to sustainably manage the two complex tasks of digital and brand
- This requires the corresponding freedom to prevent uncertainty and fear and to enable a **culture focused on problem solving and continuous improvement** - only in this way can the entire system be kept fit for the future
- A **sense of urgency** is anchored in the organization, which develops the momentum that is indispensable for long-term change
- All stakeholders are motivated by corresponding **concrete objectives** and a deep, comprehensive understanding of the overarching strategic objective & the benefits for their own area is given
- The individual initiatives are integrated into a control system by means of **well-dosed KPIs - corresponding to the culture** - according to the principle of "as much as necessary and as little as possible"



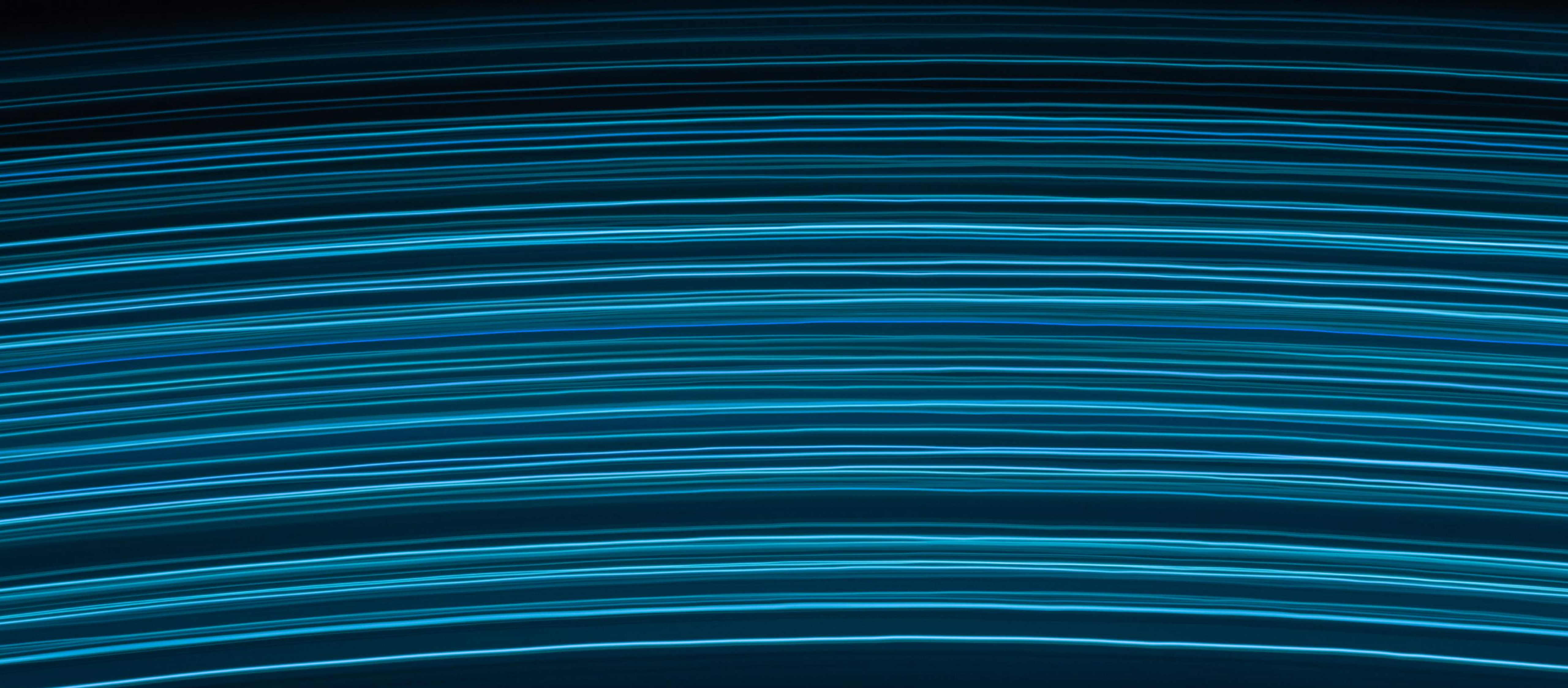
**„Digital transformation is inevitable - and that's why there is no failure in the classic sense; other projects can be stopped, this one cannot.“**

Sebastian Dorda, Vice President Strategy & Innovation Doka Österreich GmbH

## 8-point checklist „digital & brand“

1. **Top management bears responsibility** for brand management and assumes this responsibility by ensuring comprehensibility and relevance.
2. The corporation is focused on 1. **brand leadership** and 2. **exploiting the potential for digitization** across the entire value chain.
3. **Customer centricity** is ensured in practice as part of "digital first" brand management.
4. The **transformation of brand & digital** is anchored at the highest level, communicated through a clear vision & strategy and broken down to team level in sufficient detail.
5. **Holistic thinking** is established in the organization - as a result, digitization is seen as more than just potential savings.
6. The digitization program is clearly **systematized and structured**.
7. A **dynamic and stable corporate culture**, including the necessary personnel skills and freedom, has been established and is geared toward problem solving and continuous improvement.
8. A **sense of urgency** for the digital transformation is present and can be adequately tracked on the basis of well-dosed KPIs.

LIST OF PARTICIPANTS



# Thanks.

To all the interviewees who shared their valuable time, experiences & insights with us:

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**Christian Buchbauer** | Head of Marketing & Product Management | Vaillant Group Austria GmbH

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Countless studies repeatedly prove that the degree of digitization and brand strength are decisive for success. That is why we are committed to implementing **digitally driven, brand-centric corporate growth** as a guiding principle.

Our study on "Brand Growth Capacity" from 2020 already showed the profit-relevant impact correlation - with this qualitative survey, we want to shed more light on the background & success factors.

VIBRAND

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