After the Intel Corporation applied the Ingredient Branding concept and launched such a success, many other component manufacturers in the computer industry jumped on the bandwagon. They started to revise their strategy and initiated to communicate their product offerings and performance differences to end consumers. These included brands like AMD, MSI, ATI and nVidia (CPU, main board and graphic cards manufacturers). These companies have succeeded in securing partnership agreements with PC manufacturers to have their logos shown on the computers. They also convinced the retailers and final users that their component is superior and makes a difference for them. It should be pointed out, though, that there are limits to the number of brand labels that can be featured on a computer. Currently, the main logos that appear on the PC are the processor, graphic card and operating system software since these are perceived as having the greatest impact on either the computer’s performance (processor, graphic card) or its quality in terms of user friendliness or security (operating system software).

Positioning, differentiation and business growth can be achieved by making strategic decisions based on principles. The principles discovered for successful InBrands are similar to the concepts revealed by Renee A. Mauborgne and W. Chan Kim in their “blue ocean strategy”. They demonstrate that successful business is not either low-cost providers or niche-players. Instead, “blue ocean” thinking proposes finding value in other ways that defy conventional wis-
dom and segmentation. Ingredient Branding is one way that creates new market space by changing the rules of the game.

As the business waters become increasingly choppy, owners and management teams would be well advised to frame strategic vision through a sharply focused lens such as “blue ocean strategy”. However, blue oceans are largely uncharted waters. The dominant focus of strategic thinking has been on competition-based red ocean strategies. Intel showed how rewarding it could be. If you look around, you will notice other brands who jumped in to create uncontested market space such as Dolby, Realtek, Lycra, Gore-Tex, Teflon, Nomex, Nanotex, Schott Ceran, Zeiss and Shimano, just to mention a few from the long list in the appendix of this book.

Over the period of time, every industry develops a set practice: who your customers are, who your competitors are, which market is yours, etc. However, more than defining, these practices are limiting. The rigid wall defining the market thwarts growth, and the entry of more and more players’ kick-starts cutting throats, and coloring the competitive water red. InBranding can shatter the conventional business wisdoms and redefine the reach of the brand. The end result can give a brand a huge untapped market, free of bloody competition. Therefore, it is necessary to develop a sustainable edge that even the giants of the red waters will find hard to surpass. For that, we need to understand the characteristics of the industries and the strategic options for the brand. Other great business schools authors have already explored this options and come up with astonishing results. Unfortunately, their analysis was conducted a few years ago and did not consider the Branding impact in their equation. In the 1980s, when Tom Peters and Bob Waterman analyzed corporations around the world and then published “In Search Of Excellence”², they were focusing on understanding customer’s need and delivering consistent and lean products. Jim Collins in “Build to Last”³ followed the same footsteps ten years later and enhanced his analysis for “Good to Great”⁴ to answer why some companies make the leap and others don’t. He examined companies and drew exceptional conclusions. His analysis also applies to Ingredient Branding companies, but he did not put the Branding dimensions