



## Top Branding Issues Raised in Blogs and Social Media

### 1. **Calling the different products the same name will lead to confusion and a bad customer experience.**

Most frequently this concern is raised with our plan to change the names Sage Simply Accounting and Sage Peachtree to the new name Sage 50 Accounting.

People are afraid that the identity of two current and distinct products will merge in the marketplace. In fact, we view that as one of the desired benefits. We **want** to build the Sage 50 brand to carry a strong common image in the marketplace. We want it to stand for a leading software accounting program—one that's easy to use, enhances your productivity through Sage Advisor Technology, is backed by Sage Business Care, and helps you stay up to date and in compliance. In short, we want an accounting solution that helps make your business life easier. We also want Sage 50 Accounting to be seen as the far superior offering that it is and for it to have the continental heft to stand up to and defeat Intuit QuickBooks.

The product in the U.S. and the product in Canada will not be identical (although over time, we anticipate they will become more and more so as we leverage the best of each to the benefit of the other). This is particularly true in the area of connected services, where we will look to augment core functionality in each product with common connected services; for example, online payroll. We will create distinct packaging and SKUs for the U.S. and Canadian products and limit the marketing of each to their specific geographies. We will adapt our websites, our search engine marketing, and our demand generation activities to maximize the use of geo-targeting. This will ensure we present the best solution to the customer based on their geography. Our goal is to ensure that no customer is ever negatively impacted by this focus in branding.

### 2. **The plan to use numbers is importing a French convention that isn't relevant to the North American marketplace.**

The naming architecture is not unique to a language or a culture. We have seen the proposed solution work in multiple countries in Europe, including the English-speaking nations of the United Kingdom and Ireland; we are confident it will work equally well in the United States and Canada. The original branding strategy was developed by Interbrand, a global leader in branding, over a decade ago, and has been implemented multiple times over many years and with strong positive results. Before the legal right to use the Sage trademark was regained in the United States, a separate branding agency worked with what was then Best Software and made a similar recommendation on naming architecture. In fact, the addition of Sage to product names in 2005 was done to lay the groundwork to allow the dropping of our product names over time.

### **3. People won't be able to find the products easily on the web.**

In today's world, the web rules. One of our very first steps as we looked at the possibility of a renaming strategy was to work through specific search engine optimization (SEO) and pay-per-click strategies to bridge what is likely to be several years of transition in which people will continue to search using old names. The steps we are examining include: reworking the global sage.com site with geo-targeting capabilities to ensure people are directed to the appropriate regional solution; restructuring sagenorthamerica.com to both support long-term SEO for new terms while also continuing to enable connection with familiar names; and building a stronger online media budget that better intersects with those who continue to search using older terminology. In addition, we have been testing for the past year many online marketing techniques from retargeting to social media to mobile ads and will be using the knowledge we gained to increase our visibility generally. For our business partners, we will publish specific recommendations for their web presence to support the renaming.

### **4. This rebranding is going to cost a lot. Why can't Sage apply it to other areas where it will do more good?**

Many observers jump to the conclusion that this effort requires a significant increase in budget that will come at the expense of other activities they deem important. The reality is that we do not expect to change in any significant way the percentage of revenue spent on marketing. What we do expect is that we will be shifting from having marketing funds spread across 40 product brands to a focus on driving the Sage brand. This will result in shifting the marketing mix and placing more dollars and more integration in certain areas. While we do anticipate maintaining a visible presence in national advertising, the real shift will occur more in online areas, thought leadership, social media, and engagement with the existing customer base.

Indirectly, the renaming may also cause greater focus in our development budgets. Since the naming more clearly positions our products and increases our commitment to a common experience, it will drive a roadmap that ensures Sage lives up to those customer promises.

### **5. How will Sage help its partners and consultants make the change?**

Sage is committed to helping its partners make these changes in as effective a manner as possible. First, it is important to note what's not changing. The Sage logo (and therefore the Sage partner logo) remains unchanged; the overall graphic identity of Sage remains unchanged; and about half of the product names remain consistent. For those names that do change, Sage will provide: **1)** a detailed description of what will change and when; **2)** a set of templates and tools to help facilitate making the changes, available digitally in the Partner Marketing Resource Center where all of the compliant materials will be readily available for easy access and download; **3)** updated Sage product showcases that automatically update partner websites for business partners utilizing the Sage Partner Marketing Platform; and **4)** recommendations on other marketing actions to maintain compliance and accuracy for the affected Sage products. Partners who qualify will be able to use marketing development dollars to co-fund recommended changes.

## **6. This is happening too fast. Why not move slower?**

Sage has been migrating from a house of brands to a strong branded house over eight years, so it has been undertaken at a studied pace. The migration began with the settling of a trademark issue in 2005 which enabled Sage to begin using the Sage trademark in the United States, and the addition of the Sage name to all product names by 2006. It continued in 2008 with the dropping of “software” from the company name, and the adoption of the global visual identity. Now the final step will be taken in 2012 when many product names will be dropped. This timeline is not nearly as rapid, for example, as when FedEx acquired Kinko’s, moved to FedEx Kinko’s and then completed the transition as FedEx Office—all within four years. More importantly, this steady pace has ensured the great majority of existing Sage customers have come to know and accept the “Sage” brand. Since the bulk of the annual revenues in Sage North America come from existing customers, this gives us a strong base for taking this final step.

## **7. I am all for a stronger Sage brand, but why do you think this approach will work?**

The core premise is that focus on a single brand (like Sage) will allow a great ability to make that brand known and understood than focusing on dozens of separate product brands. There are three lines of reasoning that reinforce our belief in the truth of that premise: other industry examples, other Sage operating company examples, and data from the first seven years of our brand transition.

There are many companies in the business-to-business (B2B) space that have grown up through acquisition that have successfully merged well-known brands into a single core master brand. Perhaps, the most visible example is FedEx. FedEx has a long history of acquisitions, starting with Flying Tigers, and including DTW, Parcel Direct, Tower Group, Roberts Express and Kinko’s. All have been integrated into a strong master brand strategy. Cisco, which has made dozens of acquisitions, has also pursued a strong master brand, only leaving a handful of sub brands like Linksys and WebEx. The overall approach has been deployed over the years by many B2B companies.

As a global company with a strong local touch, Sage Group has multiple examples of similar businesses to that of Sage North America successfully taking this approach. Sage France is the best example. With revenues second largest to that of North America, Sage France also provides an equally broad portfolio of products sold and industries served. Similarly, it enjoyed a number of product brands with very strong awareness before they were acquired by Sage. Since its adoption of the Sage master brand strategy, it has become the market leading brand in awareness and reputation.

Finally, in North America, the initial stages of our brand strategy evolution (during 2006 to 2010) have showed exactly the kind of progress we expected. By linking Sage to the product name, we increased Sage awareness among our own customers from very low numbers to 90% or more, depending on the product. General total awareness among accountants has grown to 79%, among midmarket audiences to 44%, and among small



business audiences to 30%. Likelihood to buy from Sage has more than doubled among those who know Sage. We believe a stronger brand strategy will only serve to accelerate and increase this trend.

**8. Will you continue to market the products that aren't being renamed?**

Yes, we will continue to market products regardless of their naming status. However, our overall emphasis in marketing areas dealing with reputation, brand building, and awareness will be on the Sage master brand.

**9. Why are you renaming only some of the products? Doesn't the same branding goal apply everywhere?**

With some products, such as Sage Pro, our business strategy has been largely to support our existing customer base and not on attracting new customers; in this case, it does not make sense to invest in renaming the product. In a few cases, such as Sage ACT! and Sage SalesLogix, the products are positioned differently in various Sage operating companies; it would be challenging to change the name globally to support the varying marketing strategies.

**10. Your existing customers won't be able to find you. They won't connect the product they know and love with Sage.**

One of our fundamental goals in the renaming is a belief that it will prompt over time our customers who know and love their product to talk about Sage, to trust Sage, and to recommend Sage. We start with a strong base. Typically, 90% of the customers of our current products know who Sage is. We will have a strong communications program with customers to ensure they are informed of changes to their product names well in advance of the release that begins using the new name. We will continue to reference old product names on our websites and in literature as part of our transition strategy. We will continue to invest in names that people may use to search the web. For retail products, we will design packaging that clearly links to previous years' packaging. In short, we are committed to ensuring that our customers easily connect the product they know with its new name. We are equally committed to ensuring that they gain an understanding of what that Sage name implies—Sage Business Care, Sage Advisor, a positive customer experience, and a breadth of product and services to help make their business life easier.

**11. Why didn't you involve the partners up front? Your communication strategy doesn't make sense to me.**

Based on all the feedback we received after Sage Summit, we clearly could have had a different communication strategy. Some felt we should have heavily involved partners before we said anything publicly. Others argued that we should have had all the details in place and then presented the plan to implement it. Our intent was to give partners an early view into the top-level strategy, so that we could follow up and get feedback through various channels as we finalized the details. After seeing some of the social media chatter in the first



weeks following Sage Summit, we realized many interpreted that approach as either not caring or not having a plan. We decided we should be more visible and pro-active, and we attempted to do that. This FAQ and our planned monthly webcasts are an outgrowth of that shift, and are meant to provide a common response to the most frequent concerns raised.

**12. The naming structure implies a consistency to the products that hasn't been there.**

Sage has taken a number of steps over the past two years, which will continue over the next few, to create a strong and positive experience for its customers—an experience that is common across all products and services. When Sage rolls out its new names in 2012, it will have taken its customer experience to a significant new level of quality and consistency. In the area of the product itself, Sage has instituted strong new quality procedures to ensure products deliver what they promise. Sage has instituted a common graphic identity across the user interface; is adding Sage Advisor technology, already in market with Sage Peachtree, across its product lines; is broadly deploying the SData protocol to support a common interface with connected services; and is adding online business solution versions of its on-premises software products. In addition, Sage is working on increasing the commonality of user processes among applications, and setting standards for better integration and migration.

In the key customer touchpoints that surround the product, Sage has standardized its maintenance and support programs into Sage Business Care. It is finalizing the rollout of a common phone system, a consistent IVR approach, and a common “voice of Sage” training for all customer-facing employees to improve and standardize the customer telephone experience. Similarly, it has completed the migration of all customer-facing websites to a common platform, and is undertaking a similar integration of its customer communities—all to improve and standardize the web experience. Sage is also undertaking a program to hire, train, and empower its support staff to act as true Sage Advisors.