

The Risk of Freedom Briefing

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Are we slaves to the brand?

None of us, in his heart, is sure that the global economy is a good thing, either for the consumer, or for society or for the planet. But what about the new attack on brands and branding? Does this identify a real evil of international capitalism, or does it merely divert attention to one of its harmless by-products?

Those questions were given new force by Naomi Klein in her book *No Logo*, the thesis of which is summarized in her contribution to this *Briefing*. When firms were identified with a product, Klein argues, they were constrained by obligations both to those who produce it and those who consume it. Gradually, however, the big corporations have realized that the production and sale of goods brings with it enormous

liabilities with no corresponding profits. Far better to invest resources in a brand, and to use that brand like a magic wand to transform cheap goods produced anywhere into expensive goods marketed somewhere. The big corporations have thereby 'transcended' their products, and own little of value apart from the 'intellectual property' represented by a brand. At the same time, they are busy branding the world, polluting everything in sight with their clamorous and mind-destroying symbols.

In this novel way Klein resurrects the argument against advertising expounded by Vance Packard in his book *The Hidden Persuaders*. But she adds a new twist to it, and one reminiscent of the Marxist vision of capitalism as an economy of illusions, in which the real value of goods is concealed behind the spectral 'fetishism' of commodities. Branding, in Klein's vision, is an act of deception, a pretence to add value while merely adding price; it also involves a manipulation of the moral sense, nowhere more vividly seen than in those brands, like Shell and The Body Shop, who broadcast their adherence to fashionable causes, and whose advertisements have less and less to do with their primary product, and more and more to do with the self-declared virtues of the people who are selling it.

One thing that ought to be immediately apparent is that branding would be pointless, in a world where consumers and producers are on intimate terms. In the ideal local economy, I buy from you because I know who you are, what you produce and how you produce it. This local economy still exists, but only where locality itself is marketed. In the wine trade, for instance, products are known and valued for the *terroir*, the name, the family and the

history behind them. But for how long? Wine is now being branded, not because the big producers planned this, but because the new consumers want it. Branding makes a product safe and reliable in the mind of the consumer too lazy, too stupid or too devoid of imagination to seek out 'a local habitation and a name'.

Study of the wine trade reminds us, therefore, that branding is a consumer-led process. To blame it on the corporations is to get things the wrong way round, like blaming murder on the victim. Branding is fuelled by the media, by television, by the passive way of life, and by the growing preference of modern people for pleasure over effort, distraction over interest, and ignorance over knowledge. The fast food

brands did not create fast food: they were created by it. And fast food arose because consumers would rather watch the telly than take time off for a family meal.

Nor is branding new. It is over a century since H.G. Wells wrote his brilliant novel about the rise and fall of a brand: the patent medicine called Tono-Bungay.

There is an important lesson contained in that book, concerning the finite life-cycle of a branded product. Ch. Lafite will be selling long after Jacob's Creek Chardonnay has gone up the creek. Remember Liebfraumilch and Blue Nun?

In the light of that, the moralistic conclusions urged on us by Naomi Klein and her followers surely lose some of their force. Branding is integral to the global economy, and the real question is not how to prevent it but how to moderate its worst effects. Branding becomes offensive when it either extinguishes some form of local life, or pollutes the world with aesthetic horrors (see Tony Curzon Price's contribution inside). Both those accusations might be levelled at McDonalds. But again, are we really clear that the corporations themselves are to blame for the aesthetic pollution that is caused by their signs? If McDonalds has littered our towns with its hideous yellow arches, it is because planning laws permit this. And planning laws reflect popular taste. Boston City Council has declared an old illuminated Citgo sign that catastrophically intrudes upon the skyline of the historic Back Bay to be a 'landmark', to be preserved forever exactly as it is — and no doubt long after this already failing brand has disappeared from human memory. Of course, the decision is a stupid one. But once again, the fault lies in the consumer, not the firm with the brand.

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Brands: some love them, some hate them, could we be without them? Richard D North

Naomi Klein's main position is that brands are a lie. She usefully spots that the Body Shop over-promotes its virtuousness, and makes profits out of the public's taste for virtue. Nike and McDonald's promote worlds which are respectively go-for-it and smiley, but their brands have ignored whatever human and animal indignities lie behind their work.

But only a few brands make the kind of moral claim which Klein might usefully unmask. Body Shop definitely did (and was wrong to do so, in my view). Shell sort of did and was (in my view) right. Nike and McDonald's didn't. Body Shop's sin was one of commission; Nike and McDonald's 'sin' was of omission, if anything. And Shell didn't sin at all. But the campaigners lump all these brands together and insist on freighting them with moral content.

What is Nike's obligation to the employees of its Far Eastern contractors? I imagine it lies much nearer the position taken by (old, 'unreformed') Nike than that of its leftist opponents. I gather McDonald's have animal welfare policies which beat those of most mass-market firms.

The larger point is that the anti-branders are not generous or even seriously thoughtful. It is actually the very genuine virtuousness of many firms which makes them so vulnerable to attacks of insincerity. Shell can be got at through its brand because this is a firm which cares about its respectability. Worse than this, it is conventionally respectable. If that respectability now consists in appeasing the likes of Klein, it will appease away. Which is a pity, since Shell was a fine firm before the anti-branders assaulted it, and is arguably less respectable now. It has joined the worst of the post-modernists in realising that the right empty messages and small gestures can make a big difference in a world which is obsessed by cliché. Reality is put at a discount.

Anyway, the Shells and Nikes see their brands stolen from them by piratical campaigners, and have to buy them back. They mostly pay in a new Dangel: consultation, confession, and cringe. They must indulge in ritual obeisance to some of the silliest people on the planet.

Naomi Klein very much admires a group called Reclaim the Streets, and springboards from that to a belief that we need to reclaim our landscape from those who have branded it and commodified it. We do not make things, we buy them. Our wants are transformed into needs. Universities, streets, the media: all have been papered-over with the siren calls of firms pandering to this commercialised world.

That leads one effortlessly to the thought that we might need a movement called 'Reclaim Our Aspirations'. This scenario has it that our minds have been taken over by the image-makers. The volume, the quantity, the ubiquity of commercial messages has become so pervasive and so persuasive that the phenomenon needs to be seen in its totality. Good, honest brands which speak of morally-driven firms would be as bad in contributing to the volume of 'noise' as the bad, dishonest brands.

Seeing through the fluff and flannel of the world never was easy, whether it was a matter of village superstition, Rome's sale of indulgences, leftist propaganda, or 'liberal' political correctness. Indeed, brands are chicken-feed when set beside the mind games which have historically been attempted by the powerful. Brands are pathetically feeble compared with the leftist and green orthodoxies pumped out by the editorial parts of the media they pay for. Brands don't compare to the mind-stunning nonsense of a goodly proportion of the West's teachers and academics. Brands don't have half the power to deceive that is deployed by the anti-branders, whose success depends on the ignorance and guilt of their supporters.

We can start to fight back against the anti-branders by pointing out the tension in their argument. Do they want brands to be a large-scale, loud tool for the campaigners' version of virtue? Or do they, contrariwise, see the power of brands as essentially baleful? Do they like brands or hate them? And then we can ask: could the anti's own brand survive the kind of criticism they so freely dish out?

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Less-Logo Beats None Tony Curzon Price

Why should the preacher be chaste and impoverished? Because it is so hard that the choice is evidence of an authentic conviction — it is so remarkable as to offer proof of the message.

So it is with brand: but instead of poverty and chastity, the corporation does the things that its weaker rivals find hardest to imitate: it burns money, buys the best advertising space, hires the most expensive, creative promotion teams, acquires product endorsements from the hardest sources, be they rap stars or royals. The Cathar cannot keep up with the Dominican's self-denial, and Mom and Pop's Takkies will never be

noticed like Nike. In neither case is the intrinsic quality of the offering in question: its wrapping is all the evidence there is for its content. When reputations are hard to establish, because you are dealing with strangers and have no common authority, meaning is bought by remarkable acts.

With the best brands, the consumer will think that there is some necessary link between the offering and its wrapping — that the preacher's chastity is not just a signal difficult to imitate, but is also in God's plan; that the untied running shoe was chosen by the alpha rebel rapper because it contributes to his status, rather than that *he* was chosen by the branders only because the endorsement by a rebel is hard to get and keep. The consumer faces the brand like the little boy willing the leaf to fall as he looks out at an autumn

Essential Assets Dominique Turpin

For corporations, the differentiation battles of the 1980s and 1990s were very much focused on cost leadership, quality and innovation or a combination of these factors. Today, almost every company is ISO certified, quality is taken for granted and innovations are more and more difficult to protect for long. Also, companies find it ever more difficult to compete on price alone. Fighting on price means that the customer has no other major tangible or intangible benefits to look for. It also implies more and more 'product commoditization', no differentiation.

Products can be copied and can become quickly outdated. Brands are unique, proprietary and can become timeless, when properly managed. Consequently, companies have come to realize that it will be increasingly more important to own markets than factories, and many executives argue today that the best way to dominate markets will be to own dominant brands. Strong brands, when they are well managed, offer certain protections against competition. How much would it cost for DaimlerChrysler's, Philip Morris's or Nestlé's competitors to develop global brands to fight against powerful names such as Mercedes-Benz, Marlboro, or Nescafé? As one Nestlé executive puts it: 'If today, we had to launch the Nescafé brand from zero, the investment would have to be gigantic and it would take forever to recoup the accumulated investment we have spent'.

Even NGOs are not immune to the brand phenomenon. As a member of the Red Cross Red Crescent recently remarked: 'We are finding ourselves competing for funds. It is increasingly important for us to manage our 'brand' to get enough attention and funds for our projects.'

Companies (British Airways), products (UNICEF Christmas cards), countries ('Amazing Thailand'), causes (Greenpeace), activists (José Bové) and even yourself can be branded. Stakeholders form perceptions as soon as your product, message, or even your spokesman goes public. "Muji", a Japanese enterprise meaning "No Logo" has grown by offering "non-branded" products to its customer. But its success in Japan and lack of success in the U.K. have turned the company into... a brand. Professor Dominique Turpin, Institute of Management Development (IMD)

landscape, with causal relations self-validatingly reversed.

To be meaningful in a modern age where no institution has authority to bestow significance means building meaning by being remarkable. Thus has the modern corporate acquisition of meaning through brand-building vandalised a trove of common symbols and polluted our public spaces. It is impossible to look at Magritte's *trompe l'oeil* windows without a passing thought to monopoly power and bad software; images of the frontier and the American West are branded with cancerous cowboys; the staging posts of the road to Santiago de Compostella are marked by Shell Oil, not St James, and so on.

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Ethical Branding James Harkin

The most promising way for companies to adapt is to reinvent themselves as ethical brands. Faced with setbacks in its European operation and the perception of 'cultural imperialism' in its brand identity, Coca-Cola has already decided to reinvent itself as a corporate citizen. Last year, its chief executive, Douglas Daft, told the *Financial Times* that Coke's new pitch will be to 'lead as model citizens'. 'In every community where we sell our brand,' he explained, 'we must remember we do not do business in markets; we do business in society.'... In his new book, *Citizen Brands: putting society at the heart of your business*, Michael Willmott, the co-director of the think-tank the Future Foundation, forecasts that ethical branding will soon become one of the most crucial determinants of business success. The new wave of citizen branding, according to Willmott, will not be about corporate benefaction, but about 'a company showing that it understands societal issues and cares about them'. The result, he concludes, 'is likely to be more a roller-coaster ride for companies with more brand volatility as consumer cynicism increases and loyalty decreases . . . It will not be so much 'no brands' as an ever-changing pastiche of brand as people switch

in and out on the basis of ethical or other concerns.'

Marian Salzman, the global director of strategy and planning for the ad agency Euro RSCG, is in broad agreement with that. Today, Salzman argues, 'a brand is only as powerful as its total package. Consumers judge brands more holistically, that is, totally, and expect a company to be a good citizen, a good employer, a fair and not excessive marketer. Our research shows that consumers will go out of their way to support brands which are completely on their page in terms of ethics, causes, considerations. Finding the right ethical connection, however, is going to be a competitive business. 'Highlight the right cause and you're still in the game,' Salzman warns. 'Highlight the wrong cause and you lose.'

Talk like this is usually the cue for a discussion about the infinitely supple nature of consumer capitalism and its ability to accommodate anything that it can turn to its advantage. But there is also a peculiarly contemporary inversion at work here. As politics has become the stuff of focus groups, PR spin and endless rebranding of institutions (such as schools), personalities and parties, marketing itself takes on the techniques and values of politics. Traditional modes of solidarity, through trade unions, churches and political parties, are in steep decline. So people

search for new forms of politics and new sources of belief. At the same time, the modern corporation, uncertain about the future direction of its business and determined to hold on to its consumers, is finding that ethical branding is an ideal strategy with which to promote customer loyalty. In the hands of the brand managers, a political vacuum becomes a gap in the market.

What this suggests is that the war against brands has already been won, that the brand activists have been kicking against an open door. Naomi Klein told me that she has been approached by about half a dozen ad agencies to come and present to their executives. Her policy is always to decline. But how long before companies that now use the techniques and ideas of activists start to hire those same anti-brand campaigners to help reposition their brand identity? Some of the more astute anti-brand activists are aware that they have been overplaying their hand, that the war against brands is a mirage and that the presence of a Nike swoosh on a pair of trainers does not, on its own, turn us into walking automatons. No matter: the business of branding will continue to be pervasive, but the next big thing is going to be an unseemly tussle for a share of our conscience.

James Harkin is a trend forecaster for the Social Issues Research Centre in Oxford. Thanks to the *New Statesman* for permission to extract (18 June 01)

Marketing a Cause, But Which Cause? Mike Mosbacher explores:

Type the name of any major brand into an Internet search engine, and parasitic sites will soon appear attacking that brand. The protesters talk of censorship by the mainstream media, but they have found a way of circumventing the mainstream media via the name recognition, maintained at huge expense, by those they are attacking.

The anti-branding protesters have in fact been anything but censored by the media. Take the success of Naomi Klein's *No Logo* and the cult following of the anti-corporate shows of Mark Thomas in the UK and Michael Moore in the US and the UK.

The old campaigners such as Greenpeace International did not much like capitalism, but they did not see it as their job to replace capitalism, their aim was to change corporate policy.

The new protesters' aim, by contrast, is not to change corporate practices but to sell a broader anti-corporate, anti-capitalist message. The goal is not to remould capitalism in their own image, but to replace it; not to create an alternative 'ethical consumerism', but to end consumerism. Naomi Klein quotes a fellow activist approvingly when she says that Nike was never the target of her activism but merely a tool to get her message across. 'It's a gateway drug.' Klein goes on to say: 'For years, we in the movement have fed off our opponents' symbols — their brands, their office towers, their photo-opportunity summits. We have used them as rallying cries, as focal points,

as popular education tools. But these symbols were never the real targets: they were the levers, the handles.'

In other words, anti-branding is a marketing device. But for what product? 'Anti-capitalism' is the name of nothing specific. Like the corporations that she most eagerly attacks, therefore, Klein is promoting a 'transcendent' brand, a brand without a product of its own.

This vacuum at the heart of the anti-branding philosophy means that there is no clear response to its attacks. The harder a brand seeks to give itself a progressive image, the more important that it be subject to attack. In the eyes of the anti-branding movement, progressive corporate policies are simply an attempt to mask the true nature of capitalism. Klein puts it succinctly: 'We have heard the refrain over and over again from Nike, Reebok, The Body Shop, Starbucks, Levi's, and The Gap: "Why are you picking on us? We're the good ones!" The answer is simple. They are singled out because the politics they have associated themselves with, which have made them rich — feminism, ecology, inner-city empowerment — were not just random pieces of effective ad copy that their brand managers found lying around. They are complex, essential social ideas, for which many people have spent lifetimes fighting.' In other words: hands off my brand!

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The branding corporation uses every public space available, from billboards to pop-ups, to make itself heard above the din of all the other attempts — corporate, social, private — to make meaning in a modern world. An American car brand today sponsors a Gospel singing act, which includes a Baptist act of worship: the invasion of the sacred by advertising is shocking, but so should be the invasion of other unregulated public spheres, from streets to internet sites. Easton Ellis's 'American Psycho', unreadable and disgusting, parodies the sickness of the private, branded mind. Logomania has a double external cost: the destruction of shared meanings and images, and the destruction of public space

to achieve its ends.

The solution is much simpler and less disruptive than the proposals of the radical romantic logo-phobes like Naomi Klein. The whole point of branding is to do something that your competitors find hard — anything will do, even imposing chastity and uniforms on your sales force. We can help the branding process, and limit its damage, simply by rationing the space available for branding: only so many ads per page per print; minutes per hour of broadcasting, pop-ups per clip or billboards per mile. We increase the efficiency of the branding economy by making messages costlier to emit, and we limit its capacity for vandalism: less logo helps all-round.

Tony Curzon Price is an economist and director of autopt

Note on JTI's loss of a brand:

If your principal asset is a brand, theft of the brand means the end of your business. Hence the WTO's provisions on intellectual property rights. Our sponsor, JTI, has been victim of such a theft, but not by a competitor. The EU's new tobacco directive forbids the use of 'descriptors such as 'light' or 'mild' which might seem to imply that cigarettes thus described are less harmful. The directive rules out the brand name Mild7, which is one of JTI's principal assets. Suppose a road safety directive ruled that car-manufacturers could no longer use descriptors like 'sporty'. Which brands would survive? Not Golf, or Polo. We can see here an opening to what might become the biggest act of official expropriation since the bolsheviks. And it won't be noticed, since the only thing that is stolen is a brand.

Transcending the Product

Naomi Klein

Branding seems like a fairly innocuous idea. It is slapping a logo on a product and saying it's the best. And when brands first emerged, that was all it was. At the start of the industrial revolution, the market was flooded with nearly identical mass-produced products. Along came Aunt Jemima and Quaker Oats with their happy comforting logos to say: our mass-produced product is of the highest quality.

But the role of branding has been changing, particularly in the past fifteen years: rather than serving as a guarantee of value on a product, the brand itself has increasingly become the product, a free-standing idea pasted on to innumerable surfaces. The actual product bearing the brand-name has become a medium, like radio or a billboard, to transmit the real message. The message is: It's Nike. It's Disney. It's Microsoft. It's Diesel. It's Caterpillar. The late graphic designer, Tibor Kalman, said that a brand used to be a mark of quality; now, it is 'a stylistic badge of courage'.

This shift in the role of the brand is related to a new corporate consensus, which emerged in the late 1980s. It held that corporations were too bloated: they were oversized, they owned too much, they employed too many people, they were weighed down with too many things. Where once the primary concern of every corporation was the production of goods, now production itself — running one's own factories, being responsible for tens of thousands of full-time, permanent employees — began to seem like a clunky liability.

The Nikes and Microsofts, and later the Tommy Hilfigers and Intels, made the bold claim that production was only an incidental part of their operations. What these companies produced primarily were not things, they said, but ideas and images for their brands, and their real work lay not in manufacturing, but in building up their brands. Savvy ad agencies began to think of themselves as brand factories, hammering out what is of true value: the idea, the lifestyle, the attitude. Out of this heady time, we learnt that Nike was about 'Sport', not shoes; Microsoft about 'Communications', not software; Starbucks about 'Community', not coffee; Virgin about a 'Fun-loving Attitude', not an airline, a record label, a cola, a bridal gown line, a train — or any of the other brand extensions the company has launched. My favourite is Diesel, whose chief executive says he has 'created a movement', not a line of clothes.

The formula for these brand-driven companies is pretty much the same: get rid of your unionised factories in the west and buy your products from Asian or Central American contractors and sub-contractors. Then, take the money you save and spend it on branding — on advertising, superstores, sponsorships. Based on the overwhelming success of this formula, virtue in the

corporate world has become a sort of race towards weightlessness: the companies which own the least, keep the fewest employees on the payroll and produce the coolest ideas (as opposed to products) win the race.

I have come to think of such companies as transcendent brands because their goal is to escape almost all that is earthbound and to become pure idea, like a spirit ascending.... The Internet stock explosion... marks the complete triumph of branding: the ascent of companies, most of which have yet to make a profit, that exist almost purely as ideas of themselves, leaving no real-world trace at all. What they are selling to Wall Street is unadulterated brand.

This shift to branding explains many of the most fundamental economic and cultural shifts of the past decade. Power, for a brand-driven company, is attained not by collecting assets per se, but by projecting one's brand idea on to as many surfaces of the culture as possible: the wall of a college, a billboard the size of a skyscraper, an ad campaign that waxes philosophic about the humane future of our global village. Where a previ-

ous generation of corporate giants used drills, hammers and cranes to build their empires, these companies need an endless parade of new ideas for brand extensions, continuously rejuvenated imagery for marketing and, most of all, fresh new spaces to disseminate their brand's idea of itself.

In this way, these corporate phantoms become real. If we think of a brand-driven company as an ever-expanding balloon, then public space, new political ideas and avant-garde imagery are the gases that inflate it: it needs to consume cultural space in order to stave off its own deflation.... The goal now is for the brands to animate their marketing identities, to become real-world, living manifestations of their myths. Brands are about "meaning", not product attributes. So companies provide their consumers with opportunities not merely to shop but to experience fully the meaning of their brand... Nike, which used just to sponsor athletes, has taken to buying sporting events outright. Disney now owns and operates its very own small town, Celebration Florida.

In these branded creations, we see the building blocks of a fully privatised social and cultural infrastructure. These companies are stretching the fabric of their brands in so many directions that they are transformed into tent-like enclosures large enough to house any number of core activities, from shopping to entertainment to holidays. This is the true meaning of a lifestyle brand: living your life inside a brand. Brand-based companies are no longer satisfied with having a fling with their consumers, they want to move in together.

Naomi Klein is author of the seminal book *No Logo*.
Abridged from the *New Statesman* (24 Jan 00)

virtue in the corporate world has become a sort of race towards weightlessness

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www.newstatesman.com *New Statesman* website for a full version of the James Harkin (published 18 June 01) and Naomi Klein pieces (published 24 Jan 00) abridged here .

www.shell.com for some of the 'ethical' approaches and language corporations are adopting.

www.peta-online.org for condemnation of Coca Cola and its milk based drink 'PETA to Coca-Cola: Dump Cruel, Racist Drink',

www.mcspotlight.org slick site which targets McDonald's as the rallying point for a much wider anti-brand movement.

www.stopesso.com a Greenpeace and FoE campaign. Why? Esso is 'the power behind Bush's throne' . . .