

2005 Global Brand Letter

from Stanley Moss

update on last year's three hot topics.

Corporate Social Responsibility – Most of the big players have jumped in and devoted resources to demonstrating their social relevance and connection to community. The best examples can be found in smaller institutions –like Patagonia and the John Lewis Partnership- who built their brand around CSR as integral to their process. A cover article in the March 19, 2005 *Economist* sought to debunk CSR by arguing it was good for some business models and less important for others. My opinion is that organizations still ignore CSR at their own peril. The market is fickle, shrewd, well-connected and quick to switch loyalty.

Transparency – A brand's viability is often judged by what surrounds its statements of transparency. Consumers proceed from the assumption they are being lied to, especially with numbers. All the fancy balance sheets in the world may not obscure mindless conduct by an organization disconnected with an understanding of the breadth of its stakeholders. One bad experience can travel better than ten good ones

Sustainability still reigns high in the pantheon of brand values. Consumers are demanding that people of all kinds gain productively from a loyal relationship over time.

the following highpoints to debate and discussion predicted for the coming year

Authenticity looks to continue as a prime brand driver. Brands seek credibility outside the jargon. Action here speaks louder than words, but action entails risk.

"Risk buys spontaneity. Only in spontaneity can you be authentic." Tai-Chi Master

Diversity - The youngest brands in the world are making this statement in their core values, and it is a powerful indicator of a generation's collective consciousness. For brands to succeed in the world of the future they must translate across cultures and allow for differences in habit.

Brand is fertile terrain for renaissance people. Brand is interdisciplinary. Brand is the networking of the cosmos. Brand is about the conscious efforts by groups of people to fashion shared understandings.

Recognition and Differentiation - I believe that at least one way brand manifests itself is at the moment of recognition, when some abiding impression is formed or reinforced. If the job is done well, one brand can authentically be distinguished from another. Then the choice is in the hands of the consumer.

Retention was noted last year as an aspect some businesses were concerned with improving. The consumer products sector needs to develop long-term loyalty. NGOs need to sustain participation and awareness. What would we get if the NGOs started to develop consumer products? Just asking.

Think Global/Act Local - Still proving to be a brilliant, relevant and effective maxim. It is utterly important to understand local sensibilities and culture. The era of imperialistic brands is over. The next generation of stakeholders consider themselves part of a world community, but they like their own home towns.

Valuation - People still need to know what the tradeoff is for the money spent. One could begin with conventional metrics like survey; sales figures tracked to a particular product; eyeballs. I still believe the paradigm of value for branding lives outside the usual B-school numbers, which are available. It's difficult to define the value of 100 million well-disposed brand ambassadors. How much is a fully motivated, branded-within workforce worth in dollars these days? In pesos?

The event industry seems to offer more opportunities for brand metrics than other channels, since there is so much possibility for personal engagement and captive observation. This may suggest that people-to-people communication is the richest type of brand impression, and that removing the insulation of media from between stakeholder and organization allows for quality interaction, not to mention better metrics.

Online branding promises expanding brand measurement opportunities, in fact the internet may be the first mass medium built for automated measure and modeling of predictive behavior. With this comes the usual potential for fraud. Take, for example, "clean hits," the gold standard of online marketing. We've seen the birth of sinister enterprises manufacturing, reporting and charging for bogus hits. A similar phenomenon has occurred in "keyword auctions", where vendors bid for hierarchal placement, choosing keywords based on their popularity. Here manipulators artificially inflate the market by bidding against themselves to drive up auction prices.