

2007 Global Brand Letter

from Stanley Moss

“Whatever the Party hold to be truth *is* truth.
It is impossible to see truth except by looking through the eyes of the Party.”

- **George Orwell, 1984**

update on last year's hot topics

CSR morphs into - Even a feeble attempt at a hatchet job by *The Economist* couldn't kill it. Brands now understand they need to demonstrate corporate social responsibility, and all the big players have bought into the idea. Still, many organisations ignore it as a part of their brand strategy. Perhaps the phrase itself sounds outdated, stuffy, do-gooding, not-too-compelling. Today we are more concerned with *sustainability*, and that is the present replacement term. But the meaning intended by the introduction of sustainability was 'systemic'. In other words, practice systemic intervention.

The death of advertising - rumors greatly exaggerated, as long as we agree that advertising represents a fraction of the discipline of branding.

Luxury -Luxury brands squeezed at both ends? Counterfeiting soars, due to record low-tier demand. On December 14, 2006, the *WSJ* reported that in the past 2 years the port of Antwerp, Belgium alone has seized 40 million counterfeit items, a fraction of the estimated \$500 billion in illicit goods traded globally every year. The high end now seeks “extreme” luxury. That means things like very expensive custom tailoring will soon be available in Gucci boutiques, with the appropriate costs for one-offs and superior customization. “This is the new buzzword this season to describe objects at a tipping point of price, production and quality that places them well above the mere expensive gifts. It is aimed at a new aspirational category of clients,” said Suzy Menkes, in the December 8, 2006 *IHT*. At this writing, the luxury travel category is developing extreme products like space tourism which will occupy the high end of their market for the next ten years. The luxury segment was conservative about entering the web, but lured by clever marketers the category now buys bundled packages integrating traditional print, broadcast, and new media along with the internet, just like Target. Another fertile terrain: luxury brand extensions. Bulgari has demonstrated exceptional flair in this area, adding its brand so far to fragrance, a resort, a luxury automobile and a commissioned novel. That's style.

Measurement -To quantify a brand's value, people tend to go first to Interbrand's yearly list, so I append the link to it here: www.ourfishbowl.com. It is worth a read to see how big business contextualizes itself, kind of the Oscars of international brands. Their methodology is based on “revenue” and “influence” and “demand” factored against conventional metrics.

What about considering a brand's value based on some of the following web-based and humanistic criteria:

- Number of links to or from its home page
- Number of links on its site to other appropriate resources
- Number of times its name appears in or links to the relevant blogosphere

- Linguistic mapping
- Evidence of the brand in social networks
- Depth of user-generated content

Just asking.

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

Differentiating branding from marketing and communications – Before I gave a speech last year I received a letter, a portion of which said: “We need to make sure [you] understand [branding] is not about broadening membership, but about broadening our consumer’s desire and ownership. I think they specifically want a full court press for US market penetration.” Brand isn't just marketing. A brand is more deeply dimensional than an instrument used solely for market penetration. A brand builds relationships, many of them beyond the point of purchase. A brand is a link to shareholders, employees, vendors, competitors, friends, neighbors, legislators, journalists, industry analysts, folks who don’t use your product or people downstream who won’t want your product or service for another 5 years. Marketing is a small part of branding.

Trendseekers alerts - new terminology and concepts entering the mainstream in 2007:

User-generated content – YouTube and MySpace pioneered the phenomenon, which is best realized by youth brands. Even Charles Saatchi has a site for student art, with 3 million hits a day and over 20,000 artists participating. This season Conde Nast launches a new teen-oriented site originated by its own community of reader/contributors.

Flogs – Watch out for these fake blogs, which look like the work of real bloggers or smart viral marketing, but aren’t. They’re just the schemes of sneaky people trying to appear authentic as they sell product you probably don’t want.

Web 2.0 - The next ‘dot com’ boom?. Firms specializing in these unique technologies (a large number driven by online gaming) rich with venture capital are moving back into the ghost town that once was San Francisco’s Silicon Gulch. The keyword here, according to AskDrNerd, is “Collaborative”. Don’t get burned

Sustainable tourism – the only place tourism has left to go. Eco tourism can sometimes be too rough for the time-challenged but cash-rich upscale traveler, so the category is creating products which reinforce their lofty values in higher denomination top-end branded experiences. These combine culture, comfort and sustainable concepts, a quiet revolution in the industry. Thought leaders try to stay low-profile as they deliver personalized, unpackaged travel with a conscience, mindful of the impact of development on communities, the necessity to preserve legacy and heritage, while leaving a minimal footprint. Most importantly, it affords eco-tourists an opportunity for guilt-free total immersion in the real culture of a less-traveled place.

New heroes and the cult of celebrity – I’m a big admirer of Sicco van Gelder’s *Global Brand Strategy*. In it he identifies Reputation Brands, those driven by the notion of heritage or myth. It’s especially significant to consider personality-driven brands in the world (and particularly the USA) today. Consumer society has become overly focused on this type of brand. We think we “know” the person, so we accept the endorsement or adopt the cause, often without the due diligence. Entertainers and sports figures accustomed to high-visibility often become seduced by their own images, and we encourage them by our obsession with their divorces, children, lawsuits or political advocacy. It’s time for some new heroes, people like Dean Kamen (developing a low-cost, portable water purification system), or Branson (devoting

£400 million to renewable fuels over the next four years), or Anousheh Ansari (who visited the International Space Station and came back to encourage cross-border sharing of new technologies), or Aung San Suu Kyi (under perpetual house arrest for championing human rights in Myanmar). These 'reputation brands' can be judged by their actions, and not the output of their press agents, or the amount of bandwidth they occupy in international media.

Semiotic society – Today we inhabit a society driven by symbols. We exchange symbols to define who we are to ourselves and each other. People no longer buy products, they buy symbols, represented by the brands we adopt. Symbols express values and meanings. Symbols perpetuate beliefs and stereotypes. Symbols are the DNA which govern brands. In the marvelous idiom of French intellectual deconstruction, cultural legend Régis Debray coined the term Mediology, which analyzes the "higher social functions" (religion, ideology, art, politics) in their relationship with the means and mediums/environments [*milieux*] of transmission and transport. Worth a visit: <http://www.regisdebray.com/>, to delve into his musings on how cultural symbols migrate.

Place branding – If you disbelieve that a nation can be branded, consider the case of Kazakhstan and a mockumentary created by the British comedian Sascha Baron Cohen. Simon Anholt, quoted in the November 24, 2006 *Newsweek*, "Surviving Borat," said that he could not believe Cohen wasn't on the nation's payroll for his role in bringing so much attention to that little-known country. Anholt rates countries' brand value by looking at consumer indices- see <http://www.nationbrandindex.com/about.phtml>. The movie itself is a weird hybrid, kind of a combination of "Jackass" meets the "Jerky Boys", making much with stereotyping, and the humor of victimization. My opinion of Cohen elevated when he claimed he was unable to contact Borat, who -he reported- was "attending the Holocaust Denial Conference in Teheran." Nation branding has definitely been brought to the forefront by this odd cultural quirk. According to Malcolm Allan, at placebrands.net, a nation brand can **1)** enhance or damage a place reputation and identity; **2)** characterize how places operate; **3)** attract or repel talent, inward investment and tourism; or **4)** promote places in their markets. These seem to be the prime drivers (both negative and positive) in place brand creation. So let us now celebrate Kazakh oil, carpets and cashmere. And wish them a boost to tourism.

Personal branding – or how to contextualize yourself, in brief:

The Events Leading Up To My Death -title to the unfinished autobiography of Preston Sturges

That Wonderful Book on Plague -working title for a colleague's autobiography

The Memoirs of an Amnesiac -title to the autobiography of Oscar Levant

The end of irony? - "Borat" got me reflecting about how irony was so absent in the new media world, how utterly literal and mindless criticism has become. In the interest of invigorating the discussion of brand statements, here are some definitions of classic, Socratic intellectual forms which have fallen out of understanding, authoritative use, or perhaps fashion:

Irony - The use of words to express incongruity between what might be expected and what actually occurs.

Satire – wit used to point out social ills, or to effect change

Sarcasm – ostensible wit, often purely hostile, used to convey disdain or scorn

Parody – mindless wit used simply to poke fun

Allegory – symbolic lessons cast in narrative form

Creatives move east – And not exclusively to Asia. Romania needs a CBO for a large media company, global salary. An LA-based ex-identity firm (now repositioning itself as brand consultant) wants a pitchman they call a Brand VP, largely a sales position for Asia, with a

base salary of \$125K plus incentives. There are more jobs to be had than people to have them in Asia today. A great deal of talent has already migrated there. Previously a product would have been marked “Made in China.” Soon the label will read “Created in China.”

Innovation – You hear this word a lot more, from all categories. Recently a major turnaround at the French brand Carrefour was attributed to “innovation.” The CEO of Marks & Spencer credits their resurgence to the same thing. Two years ago theory held that brand rested on a tripod of strategy, leadership and creativity. But the equation has changed, and many practitioners today add innovation, naming it the attribute that keeps a brand competitive. In order to innovate, there must be a corporate culture which allows room for it.

Branded conflict – An interesting year for politics, in light of a new branding phenomenon observed. The most visible branded conflict was an incursion into a country on a path to reconstruction after decades of civil war. Depending on whose account you believe, Hezbollah’s abduction of Israeli soldiers provided the justification/provocation for the wanton destruction of much of the Southern Lebanese infrastructure. Long before the Israeli army marched in, Hezbollah had branded their cause “The Divine Victory”, with a Swiss-graphic-inspired logo, attached to a well- thought-out, absolutely artificial, mindful, calculated brand program. It was a conflict which Israel could not win with military muscle. As soon as the bombardment ceased, propaganda signage on the rubble instantly appeared with the logo applied, and the same signature plastered on yellow plastic police tape strung across the ruins photographed for world media. When Najibullah resurfaced he was filmed on a background of the same logo, and the same week the *IHT* dutifully reported in a headline that “Hezbollah claims Divine Victory.” Here is a political movement successfully deploying the tools of branding. The world views these details and thinks them innocent. The poorest nations now know how to manipulate their images. Such complete calculation shows this could not occur by accident or chance. We are not prepared to meet well-thought out constructions like these, the antithesis of humanistic branding.

What is a brand? It is often the first question I am asked. Last year at the end of my letter I listed some concepts that have been put forth over time by my colleagues in answer to this inquiry. This year a group of new voices offers their own definitions. I also append a brief profile of each speaker.

“A brand is a ‘once upon a time’.” –Pierre d’Huy

Pierre is a respected Paris-based brand consultant, and a Director of The Medinge Group.

“A brand is the most powerful business tool.” – Thomas Gad

Thomas is Chairman of The Medinge Group, and recognized international branding authority.

“A brand is social capital.” – Ava Hakim

Ava works in large-scale global business development for IBM.

“A brand is a shorthand for all the reasons people choose the products and services they want in their lives.” – Simon Paterson

Simon is a world-class London-based brand professional.

“A brand is the good name of a product or organisation.” – Malcolm Allan

Malcolm is an expert in place branding, leadership and strategy.

“A brand is the emotional response or preference for a product or service.”

– Tom Atchison

Tom is a venture capitalist with an interest in the commercialisation of space.

“A brand is what you elect to live and breathe.” – Patrick Harris

Patrick is a London-based brand and strategy guru, and a Director of The Medinge Group.

Recently I have thought about brand as **an understanding which delivers a personal sense of identity or purpose**. Or perhaps an opportunity for systemic intervention?

A great 2007 to all!

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