

The Good Brand

Brands are less and less about what we buy, and more and more about who we are. That means your cola can't just taste good. It has to feel good, too.

From: [Issue 85](#) | August 2004, Page 47 **By:** [Linda Tischler](#) **Illustrations by:** Holly Lindem

It has been a tumultuous year in the wonderful world of branding. Exciting new brands, such as iPod, hit their stride; respected older brands, such as Martha Stewart, faltered; and classic brands, such as Mustang, proved they still have juice. Destination branding, from Las Vegas to Jordan, took off. A brand called Mark Burnett teamed with a brand called Trump to produce the season's hottest TV show, which turned out to be as much a paean to brands as it was a celebration of cutthroat American capitalism.

Contest: Can This Brand Be Saved?

Help refocus, refresh, and revitalize a handful of struggling brands. The reader who contributes the most promising strategy for adding new life to an aging brand -- as selected by the editors of *Fast Company* -- will win a three-hour branding consultation with Karen Post, author of *Brain Tattoos: Creating Unique Brands That Stick in Your Customers' Minds*, and a free, signed copy of the book. Full rules and entry information are available [online](#).

But perhaps the most significant and ominous development in recent branding history is the emergence of Mecca-Cola, the ideologically driven brainchild of rabidly anti-Zionist French entrepreneur Tawfik Mathlouthi. With its red can adorned with white script, the soda is clearly designed as a challenge to the world's number-one brand. And as if its packaging weren't explicit enough, its tagline, "No more drinking stupid, drink with commitment," is an in-your-face repudiation of the American icon.

While Mecca's message was the most strident dispatch in the branding wars, it also, ironically, summed up some of the most potent themes currently roiling the waters: the debate over global versus local messaging and control; the power of brands to create and reflect social and cultural values; the pressure for brands to be authentic; and the need for companies to recognize a brand's stakeholders (beyond its customers).

Carried aloft by the Internet, and reinforced by the echo chamber of a million always-on consumers, brands have seen their power expand and grow. But that growth has also spawned problems and opportunities that brand managers a decade ago could never have envisioned. Indeed, there may be no more challenging time to figure out a brand strategy than today.

To get a sense of trends shaping the current branding landscape, we talked with experts from New York to New Zealand, and tagged along at a meeting organized by futurist

think tank Global Business Network. We identified seven trends that are likely to influence the conversation for the year to come.

1. Brands will be authentic.

Long before Enron and WorldCom were exposed as frauds, consumers had begun scrutinizing brands to find the truth behind the image. Did Nike use sweatshop labor to make its shoes? Did McDonald's lard its products with fat? Aided by the Internet, consumers can now know almost everything about a company. Chris Riley, founder and chief strategist of Studioriley, a company that specializes in creating economically, socially, and environmentally "healthy" brands, says companies must now reckon with an increasingly visible value chain. He tells of a teenager in a Nike focus group in Los Angeles picking an Air Jordan shoe out of a pile and identifying the exact factory in Vietnam where it had been made. "Branding is a way of articulating the core values of the corporation," says Riley. "Companies need to project into the world who they really are."

With cynicism about corporations at an all-time high, companies are under pressure to prove that what they stand for is something more than better, faster, newer, more. A company that can demonstrate it's doing good and doing well -- think Ben & Jerry's, or Aveda (see page 50) -- will find its brand image enhanced, Riley says. But consumers must sense that the actions are sincere and not a PR stunt that will evaporate as soon as the cameras are turned off.

2. The experience will be the expression of the brand.

Ten years ago, it would have been hard to imagine building a national brand with little or no advertising. Then along came Krispy Kreme, Google, and Amazon.com. They're among a small group of hugely powerful brands that gained prominence without once appearing on . Brian Collins, executive creative director of the Brand Integration Group at Ogilvy & Mather, says brands are moving from a marketing model that says, "I'm going to talk to you and you better listen up" to an experiential model. "Marketers need to focus on the way a brand gets brought to life tangibly, where it really lives," says Collins. Whether it's the folksy humor of Southwest Airlines' flight attendants, the boudoirlike ambience of a Victoria's Secret shop, or the Zen-like simplicity of TiVo's remote control, the experience conveys the essence of the brand. And often, it's design that creates the experience.

That design message must now be distinctive enough to hold its energy in a vast array of places: in a magazine, on a T-shirt, on a coffee mug, at a skate park, on the subway, or blown up 10 stories high on a billboard in Times Square. "It's a lot of work," Collins says, "and you must sweat the details."

3. Brands will be hard-wired in our brains.

Neuroscience has now confirmed what we had suspected all along: If you like Coke over Pepsi, it's all in your head. For that branding breakthrough, we can thank Read Montague, a neuroscientist at Baylor College of Medicine, who cooked up an experiment to keep his

teenage daughter occupied as she helped out in his lab last summer. Montague wired up a group of volunteers and re-created the Pepsi challenge while monitoring their brain activity on an MRI. The results were astonishing. In blind taste tests, subjects' brains indicated a clear preference for Pepsi. But when they were told which of the samples was which, their brains switched brands. "The brand image of Coke in the nervous systems of the people we tested engaged systems in charge of cognitive control and commandeered their behavior," Montague says. In short, the power of the Coke brand was enough to override an objective preference.

A commercial application of the kind of work Montague is doing is already in play at BrightHouse, an Atlanta consulting firm. It offers clients the services of its Neurostrategies Group, a team that "uses neuroscience to influence higher-order strategic business decisions," such as identifying which brand benefits might prompt a consumer to buy. The company, which has done work for such clients as Home Depot, Pepperidge Farm, and Kmart, maintains that its projects are designed to give companies a better perspective on how people develop relationships with products, brands, and companies, not to help them design products or test ad campaigns. But scientists at BrightHouse recently identified the region of the brain that responds to products that most resonate with a consumer's self-image -- the space that lights up, for example, if a Chevy guy is shown a picture of a Silverado Half-Ton Crew. Montague thinks it's only a matter of time before neuromarketing finds a way to commercialize that discovery. Imagine, he says, a neural focus group where brand managers could test messages to see if they resonated with a target audience. "Bringing a new product to market is a huge risk for a company," he says. "If nothing else, this would add another quantitative data point to what you know about your demographic."

4.The line between entertainment and brands will blur.

When Beverly Hills hairstylist Jonathan Antin, the diva of Bravo's latest hit show, *Blow Out*, flicks his AmEx card to make business happen, are we watching entertainment or advertising? The reality-TV show is one of the more exotic hybrids of a hot subspecies of branding dubbed "advertainment." Alarmed by the defection of viewers from network TV, particularly those 18- to 34-year-olds who comprise advertising's demographic sweet spot, marketers are seeking ever more creative ways to connect. American Express's chief marketing officer, John Hayes, has been at the forefront of the trend, experimenting with an array of new approaches, including "Webisodes" featuring Jerry Seinfeld, Superman, and an AmEx card; art exhibits with photographer Annie Liebowitz; a concert with Sheryl Crow; and club events in which the L.A. House of Blues morphed into the "House of Blue" for AmEx's Blue card. The company also sponsored last year's reality-TV show *The Restaurant* on NBC, and has favored-brand status on *Blow Out*. The implications for network TV loom large. In 1994, AmEx spent 80% of its marketing budget on TV; by 2003, that number had fallen to 35%. The change, Hayes says, was driven by the defection of audiences to other outlets -- DVDs, the Web, cable, video games -- and technologies, such as TiVo, that let viewers skip commercials. "We need to be where people are and involved in things they value," Hayes says. But, as with any new venture, he concedes there are still a few kinks to be worked out. AmEx's presence on *The Restaurant* was, he admits, occasionally ham-handed, as chef Rocco paused, midcrisis, to

extol the virtues of the company's small-business service. That's a gaffe he hopes to avoid in *Blow Out*. "The critical part is finding the fine line between entertainment that can have commerce within it and feeling like it's too much of an intrusion," he says. "That's the art."

5. Increasingly complex brands will require new organizational structures.

In most organizations, corporate brand management is the purview of the chief marketing officer. That's a dangerously narrow view of a brand's universe, says Bob Lurie, CEO of M2C, the marketing strategy division of Monitor Group. "Companies get a license to operate from society," he says. "If you think about your brand as something that [only] your customers care about, you'll get whacked upside the head." Today's brands operate in a global environment and touch many constituencies, lots of whom will never buy the product. They may range from environmental groups and regulatory agencies to unions, activists, and the media.

"Constituents are much more aggressive than in the past," Lurie says. "More people are policing social goods, and technology enables them to share information quickly and easily." While the Sierra Club and a local union may not usually have much in common, they now have the ability to snap into tight focus and connection the instant they discover shared goals. The problem, Lurie says, is that the task of managing these various groups tends to be spread throughout the organization: The legal department has one piece, the government-affairs folks another, and the marketing department yet another. That unintegrated approach can be dangerous when trouble happens. Instead, Lurie suggests, companies should decide who gets responsibility for the brand's reputation by determining which function is most important. In some industries, such as oil and gas, it may be the government-affairs department. In packaged goods, it might be marketing. The company should then map its relevant constituencies as a social network, figuring out whose interests are likely to be aligned with whose and then reach out to them. It's a big job, says Lurie, but it's an investment that will more than pay for itself in a crisis. "The more you're out in front, the less likely it is that they'll torch you when something goes wrong," he says.

6. Brands will create social and cultural values.

In 2000, Naomi Klein, antiglobalism activist and author of *No Logo: No Space, No Choice, No Jobs* (Picador), predicted that consumers would rise up against corporations whose brands had infiltrated their homes, their schools, and their public spaces. Whoops. While antibrand activism has waned since the 1999 WTO meeting in Seattle, people's affection for brands seems to have grown. Kevin Roberts, CEO of Saatchi & Saatchi, recently launched a site called Lovemarks.com, where people can write mash notes about their favorite brands. At last count, there were more than 1,800 postings, expressing admiration for everything from OshKosh overalls to Zeiss camera lenses. That kind of passion has prompted a shift from brands as mere product identifiers to brands as personal identifiers -- a development that threatens to confound the notion of a corporation as a brand's sole proprietor. "Companies have treated their brands as intellectual property that needs to be controlled, managed, and leveraged, not cultural

property to be shared, remixed, and reconstrued," says design strategist Andrew Zoll, founder of Z+ Partners, a New York trend-analysis and foresight firm. Zoll notes that brands increasingly make a cultural and political statement about their adherents. In Karachi, the act of drinking a Coke instead of Mecca-Cola is now an ideological gesture. So, too, are consumers making statements about themselves when they choose to shop at Whole Foods versus Safeway, drive a Toyota Prius instead of a Ford Expedition, or purchase an Apple computer instead of a PC.

Smart companies are reaching out to their customers, encouraging participation in their brands -- allowing fan sites and Meetup groups -- even if that means letting go of the strings of control a bit. Lucasfilm, for example, didn't call in the lawyers when fans began creating their own Star Wars videos. Indeed, it posted sounds (like Darth Vader breathing) and other digital material on its Web site for fans to play with. "People are going to do things with brands because of these personal identity issues that brand managers need to tolerate and not try to shut down," Zoll says.

7. America will be reborn as a more culturally sensitive brand.

It's hard to imagine a time when America's image was so tarnished abroad. Between long-standing complaints about America's cultural imperialism as expressed by everything from Microsoft to EuroDisney, to the fierce anti-Americanism spawned by the war in Iraq, it's not an easy time to be an American multinational. Indeed, a recent study of 30,000 people outside the United States by the global market-research company NOP World found that the total number of consumers worldwide who use American brands had fallen to 27% from 30% over the past 12 months, a trend NOP managing director Tom Miller called a "warning sign for brands."

But some optimists in advertising think it's still possible for America to get its groove back. "People still love Americans. They just don't like our policies and our government," says Claude Singer, senior VP of branding firm Siegel & Gale. Recently, he says, a new group has arisen to try to put forward the best side of American business. Business for Diplomatic Action, headed by DDB chairman Keith Reinhard, aims to help fight anti-Americanism by teaching businesspeople to be more sensitive and responsive to local needs. The idea is not to advertise how great America is, but to get U.S. companies and their employees to act more as ambassadors for the brand called America. Cynics would point to previous failed efforts, most notably Charlotte Beers's campaign for the State Department to burnish America's image in the Muslim world. But this effort is based on action, not slick advertising. And nobody says it's going to be easy. Indeed, Singer allows that it may take some future Reaganesque figure to articulate this vision. But the brand's strength, he says, is that it's authentic. "There's an idea there of liberty, and once upon a time, our country did stand for it," he says. "At some point in the future, there will be an understanding again of who we are and what we stand for. And at that point, we will have a real brand and not just a fake Madison Avenue concept."

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