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POSH SPICE & Persil

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Posh Spice & Persil

Both big brands; both alive; and both belonging to the public

> *"Right from the beginning,
> I said I wanted to be more
> famous than Persil Automatic."*
>
> **Victoria Beckham, *Learning to Fly*,
> The Autobiography, 2001**

In his British Brands Group inaugural lecture last year, Tim Ambler of the London Business School set a depressingly high standard.

He raised a number of critical questions about the nature and value of brands and answered many of them. He left us with one perplexity.

If brands are as important as they are to business – and he left us in absolutely no doubt that they are all-important – why do chief executive officers and their boards devote such a curiously small proportion of their time to their health and nourishment?

With seemly diffidence, I'd like to put forward a possible explanation.

And as a sort of hors-d'œuvre to the main course of my lecture, I offer you these 13 deeply disturbing brand facts.

- Products are made and owned by companies. Brands, on the other hand, are made and owned by people... by the public... by consumers.
- A brand image belongs not to a brand – but to those who have knowledge of that brand.
- The image of a brand is a subjective thing. No two people, however similar, hold precisely the same view of the same brand.
- That highest of all ambitions for many CEOs, a global brand, is therefore a contradiction in terms and an impossibility.
- People come to conclusions about brands as a result of an uncountable number of different stimuli: many of which are way outside the control or even influence of the product's owner.
- Brands – unlike products – are living, organic entities: they change, however imperceptibly, every single day.
- Much of what influences the value of a brand lies in the hands of its competitors.
- The only way to begin to understand the nature of brands is to strive to acquire a facility which only the greatest of novelists possess and which is so rare that it has no name.
- The study of brands – in itself a relatively recent discipline – has generated a level of jargon that not only prompts deserved derision amongst financial directors but also provides some of the most entertaining submissions in Pseuds' Corner.
- It is universally accepted that brands are a company's most valuable asset; yet there is no universally accepted method of measuring that value.
- The only time you can be sure of the value of your brand is just after you've sold it.
- It is becoming more and more apparent that, far from brands being hierarchically inferior to companies, only if companies are managed as brands can they hope to be successful.
- And as if all this were not enough, in one of the most important works about brands published this year, the author says this: "Above all, I found I had to accept that effective brand communication... involves processes which are uncontrolled, disordered, abstract, intuitive... and frequently impossible to explain other than with the benefit of hindsight."

All of the above, I believe to be fact. For the sake of economy, and to some extent for effect, I have made some half truths into whole truths and presented them more starkly than perhaps a more conscientious lecturer would have ventured to do.

But all of the above statements are more or less true.

So, in answer to Tim Ambler's implied puzzle – why do CEOs devote so little of their time and intelligence to the care of their most important asset? – I advance this explanation:

Brands are fiendishly complicated, elusive, slippery, half-real/half-virtual things. When CEOs try to think about brands, their brains hurt.

And I sympathise. Given the nature of brands – and the persistent perversity of consumers – who wouldn't choose to concentrate executive time on simple, rational, quantifiable things: like gross margins and case rates and return on capital invested?

I believe it to be an increasing human instinct – and an entirely understandable if highly dangerous one – to overvalue that which we can measure and to undervalue that which we can't. There is a comfort to be found in figures: they give us a sense of certainty, however false, in an otherwise chaotic world.

In his usefully corrective book *The Tyranny of Numbers,* David Boyle quotes the economist Robert Chambers:

"Quantification brings credibility. But figures and tables can deceive, and numbers construct their own realities. What can be measured and manipulated statistically is then not only seen as real; it comes to be seen as the only or the whole reality." And Chambers summed it all up like this:

"Economists have come to feel
What can't be measured isn't real.
The truth is always an amount –
Count numbers; only numbers count."

Perhaps the time will come when the mysteries of brands will be no more; when everything about them can be measured, valued, predicted and replicated. Perhaps. But not in my lifetime; nor even, I think, in yours.

So, with the hors-d'œuvre behind us, my aim for the main course of this lecture will be to explore most of those 13 deeply inconvenient brand facts rather more thoroughly: not to provide answers or solutions but more, I hope, to shine a little light on these murky matters. Thinking about brands should be a productive rather than a painful occupation – and should lead to a greater confidence in taking intuitive decisions. More often than not, such decisions turn out to be gratifyingly simple.

First, my thanks to Victoria Beckham for the title of this lecture.

If her early ambition to be more famous than Persil Automatic seemed to you surprising – or even laughable – it shouldn't have done. It was very astute of the young Posh Spice to choose not Robbie Williams nor Sir Cliff Richard nor Madonna as her benchmark of fame but the country's best-known washing powder.

Because just about the only thing that successful brands have in common is a kind of fame. Indeed, it's been suggested that brands are the real celebrities. And for most human beings, fame not only holds a powerful fascination but bestows an incalculable value on anything that enjoys it. We value the famous far more highly than the little known.

I do not think, as is often suggested, that this is a new phenomenon. Nor do I think, another social theory, that we the public have invented celebrities as a replacement for the vanished aristocracy. Rather, I think that the aristocracy were of interest to us peasants not because they were aristocratic but because they were the most famous people around. We should not assume that everyone who stands in the rain to catch a glimpse of Her Majesty the Queen is a royalist. The Royal Family continue to engage the interest of us peasants at least as much because they are celebrities as because they are royal.

And then, as Andy Warhol so memorably observed, with the arrival of mass media, particularly of course television, fame became technically available to everyone: if only for 15 minutes.

It is one of the peculiarities of fame – whether for people or products – that real fame appears to be spectacularly untargeted. By that I mean, that the most famous people in the world are known to an infinitely greater number of people than their particular talent or profession would seem either to demand or to deserve.

Victoria Beckham is one such example. So is Madonna. Real fame implies being known to millions of people who have never bought your records and never will. Stephen Hawking is known to millions of people who will never understand a word he writes; and to 10 times as many who will never even try to.

To the consternation of media planners and buyers in advertising agencies, the same is true for brands. A brand, if it is to enjoy genuine celebrity, must be known to a circle of people that far exceeds what we in the business so chillingly call its target group.

It is not enough for BMW to be known only to that 5% of the population wealthy enough even to contemplate buying one. For BMW to enjoy real fame, it needs to be known almost indiscriminately.

I do not know why this should be; I only know that it is.

There are those who believe that it's all to do with envy and one-upmanship: what's the point of your driving about in a £50,000 BMW if 95 per cent of us peasants don't realise just how successful you must be to own one? There may be a bit of truth in this theory: but it surely can't explain the value that Persil derives from being universally famous? And doesn't it seem improbable that we pop a six-pack of Coke or a packet of Oxo cubes into our shopping basket in the hope of arousing envy and admiration in the hearts of all the others at the checkout counter?

There are thousands of great and public brands that virtually no one is debarred from buying on the grounds of price – yet they possess a value that lesser-known products lack.

For manufacturers, for brand marketers, I don't think the question of why matters very much. It only matters that it is. Fame is the fundamental value that strong brands own.

You do, of course, have to be famous for something: and we come to that later.

The matter of fame takes us naturally to the matter of brand ownership.

Of course, in a legal sense, the company owns the brand. But for a company to *feel* that it owns its brands is to tempt it to believe that it has total control over them: and it does not.

Forget the marketing-speak. The image of a brand is no more nor less than the result of its fame: its reputation. And like a reputation, it can be found in only one place: in the minds of people.

Lord Archer, Sir Richard Branson, Victoria Beckham, Rudolph Giuliani, Harry Potter and the Prince of Wales are all public figures; and like all public figures, they have reputations. But you will not find these reputations neatly defined and filed away in Companies' House, nor lodged with their respective solicitors. The only way you will find a reputation is by opening up other people's minds and peering inside. The same is true for the image of the brand.

Nor, of course, does a public figure have a single, constant reputation, shared by everyone. One of the most potent political reputations over the last 30 years has been that of Mrs Thatcher. Not only has that reputation changed dramatically over time, but it has never been remotely homogenous.

This very same person, *indisputably* the same person, at exactly the same point in time, has been seen as both tyrant and liberator: and a thousand variations in between.

Her views, actions and achievements have been known to everyone. The stimuli have been common. But the response to those stimuli has been as varied as the characters of those who have known of her existence. Mrs Thatcher's reputation does not belong to Mrs Thatcher; it belongs to the 50-odd million people in this country who know of her existence – and many more abroad – and it comes in as many different shades.

Tiresome though it may be to accept, the same is true for brands. The most valuable part of a brand... the added value bit... the bit that protects respectable margins and fills up the reservoir of future cash flow... the bit that distinguishes a brand from a mere product... *doesn't belong to it*. It belongs to its public. And for those who are loyal to brands, this sense of ownership, of possession, is strong and often overtly recognised. It's 30 years or so since I first heard real people in group discussions talking openly and quite unselfconsciously about their favourite washing powder. But they didn't just talk about Persil: they talked about *my* Persil.

So the image of the brand – its brand reputation – that which makes it the shareholders' most valuable asset – doesn't belong to it. It belongs to all those who give thought to it.

No wonder CEOs prefer to spend their time counting things.

But the fact that the image of the brand doesn't reside with the brand is not quite such a depressing truth as it may seem. Because it leads us to wonder how exactly these images... these brand reputations... are formed in the first place.

Many marketing companies, and even more of their marketing advisors, pride themselves on their ability to build brands. But of course neither group builds brands: because brands are built in people's heads.

What the most skilful of marketing companies do, with great sensitivity and unceasing vigilance, is provide some of the raw material from which brands are built. There is an enormous difference.

Many years ago, I wrote that people build brands as birds build nests, from scraps and straws we chance upon. The metaphor remains a useful one – but it needs to be both modified and amplified.

I said earlier, as one of my 13 unpalatable brand facts, that "people come to conclusions about brands as a result of an uncountable number of different stimuli."

That's true – but we can count some of them. These are some of the scraps and straws from which people build brands.

Let me start with the *product*. It's often said that a brand is a product with added communication: but it seems to me that the intrinsic product – its delivery, its function – must itself be the primary brand communication. No washing powder which fails to deliver high standards of detergency will survive – however skilfully marketed. No beer that fails to please the taste buds – however great its advertising budget – will survive. Function is the first and permanent requirement for brand success. I shall talk much in this lecture about brand reputation and added value: but let me first echo a warning issued earlier this year by Niall FitzGerald in his *Marketing Society* annual lecture.

He identified the manufacturer who starts out by being technologically very advanced – and is deservedly very successful. As his market gets more and more competitive, he comes to realise that he needs both product performance *and* brand character in order to stay ahead. Brilliantly, an image is built for his brand – so that users not only respect it but feel loyal to it as well. He is even more successful.

Then comes the critical stage. He becomes such an enthusiast for the notion of brand personality – and falls so deeply in love with his own – that he comes to believe that competitive product performance is no longer his highest priority. So he neglects to innovate, he neglects to invest in R&D, he stops listening intently for those first faint murmurs of discontent – and, for a month or two, or even a year or two – his success continues and his profits mount.

And then, with savage suddenness, his once healthy brand becomes an invalid: losing share and reputation with precipitate speed.

Because when people discover what's been done, that a once-loved brand has taken its users for granted, those users will be totally and brutally unforgiving. And their desertion will have something of vengeance about it.

I shan't talk much more about function: not because it's of little importance but because it's so self-evidently central to brand success that reiteration of that truth should be unnecessary.

The next most obvious clue to brand character is *advertising*: often claimed to be the greatest brand builder of them all. I spent over 30 years in advertising; but unless you define advertising in an unusually liberal way, I wouldn't necessarily support that claim. That there has to be some *communication* between a brand and its public is obvious; but its name, its packaging, its stores if it has any, its vans, its news value can all give people important clues to a brand's character: and in some instances, these non-advertising communications media will be the all-important ones. Today, we are principally concerned with manufacturers' brands, offered for sale in a competitive market place. But let's not forget the great schools, the great newspapers, the great football clubs: all of which not only perfectly fit the definition of brands but help us understand their nature. In few if any instances do brands of this kind owe their power and influence primarily to advertising.

Then *price*. Price is a wonderfully deceptive item. "Look at me," says price: "I'm a number. So you can compare me to the prices of all my competitors and find out which is best." For a second or two, would-be rational man may feel a surge of hope: at last, the comforting feel of ground beneath the feet.

But of course, as everybody knows, price offers no such universal reassurance. Price is both an objective fact and a stimulus likely to elicit any number of very different subjective responses. The same low price can simultaneously lower the barrier to entry and increase suspicions about quality.

It is only commentators who confuse price with value for money; consumers never do.

Consumers know that value-for-money is a calculation that they make, as individuals, often intuitively; and that price is just one factor within that calculation. Like the image of a brand, and for the same reason, value for money is an individual concept, individually arrived at – however widely shared it may turn out to be.

From time to time I try to identify a significant consumer market sector – detergents, toilet tissue, beans, packaged cakes, confectionery, cigarettes, canned beer – where the brand with the lowest price is also the market leader. In countries where choice is still a distant concept, there are of course many such examples. But in our more fortunate world, accustomed as we've been for 50 years or more now to a range of options in everything we buy, I can still think of none.

And this is not, as the rationalists would have us believe, because the gullible masses are lured into paying for some intangible image; it's because the masses are made up of individuals, each of whom is perfectly capable of determining which price demanded most accurately matches which set of satisfactions delivered: not universally, of course – but for himself or herself.

One of the many functions of price is famously encapsulated, and with great marketplace success, by Stella Artois: "Reassuringly expensive."

Promotions are almost as deceptive a stimulus as price and for much the same reason. Surely a two-for-the-price-of-one, a banded offer of that new CD, the chance of a free holiday in the Caribbean: surely such bargains must lead to more sales and therefore be good for the brand?

Maybe the first; but not necessarily the second.

People – in which I continue to include you and me: not some remote and alien consuming body – people interpret all brand clues with instinctive intelligence.

Marketing people give a great deal of thought to what people think of brands. What brands appear to think of people is at least as interesting.

When brands make clear and often impertinent assumptions about us, we notice. When I get yet another invitation to apply for a platinum credit card, I know exactly the assumption that this brand has made about me. It has assumed that I will enjoy flashing a platinum card in front of headwaiters; that I will appreciate an automatic if expensive overdraft facility of £10,000; that I drive a car with a personalised number plate and wear open-backed driving gloves while doing so. I resent these assumptions deeply. And I would, of course, resent them at least as deeply if they were absolutely accurate.

Most promotions fall neatly into one of two categories: bribes or bonuses.

The bonus makes this assumption about me: that I will appreciate some token of gratitude for my continued custom.

The bribe makes this assumption about me: that I will buy something I never wanted in the first place because it's now cheaper.

The first congratulates and flatters me; the second insults me.

The signal that the bonus sends out is one of generosity and confidence; the bonus enhances the brand. The signal that the bribe sends out is one of insecurity and desperation; the bribe diminishes the brand.

So the promotion – the offer – is more than a short-term sales incentive. It's another clue to brand character: one of those many scraps and straws from which people build brands inside their heads.

Advertising, packaging, price and promotions have this in common: they are all within the control of the marketing company. To be rather more accurate: the transmission of these brand stimuli is within the control of the marketing company. Their *reception*, however, is not.

Among all my deeply disturbing brand facts, this is the one most calculated to cause distracted CEOs sleepless nights – which is probably why they choose not to think about it.

I said at the start: “The only way to begin to understand the nature of brands is to strive to acquire a facility which only the greatest of novelists possess and which is so rare that it has no name.” The last part of that sentence is not quite true.

In her 1996 Reith Lecture, Jean Aitchison wrote: “An effective persuader must be able to imagine events from another person’s point of view. In fashionable jargon, he or she must have ‘A Theory of Mind’.”

A Theory of Mind may be fashionable jargon among academics and psychiatrists but it’s far from fashionable anywhere else; nor does it deserve to be. It is a hopelessly inadequate term for a rare and priceless facility. And ‘empathy’ is in its own way worse, since we think we know what it means but don’t.

The ability “to imagine events from another person’s point of view...” to see things through other people’s eyes ... to put oneself in someone else’s shoes: it might be a more respected skill were it only to have a decent name.

I’ve been brooding about this rare ability for a very long time.

When I was about seven years old, I was taken to have tea with the only rich relation we had. As we were about to leave, she reached for her purse, took out five one pound notes and gave them to me.

I was, at the time, on two shillings a week pocket money. What I held in my hand was one year's gross income.

Then she peered at the notes and said, "Oh dear. Those two are *very* dirty. I couldn't possibly let you go away with notes like that." And she took back two of the one pound notes – and didn't replace them.

My aunt did not possess a complete understanding of The Theory of Mind. There was no meanness in her action; only a kind of blindness. She saw those two notes through her eyes only.

We were both looking at the same notes. They had a measured, agreed, universally accepted worth: they were worth one pound each. But to me they represented riches beyond imagination and to her they were a Boxing Day tip for the milkman. There is, I believe, no commonly accepted name for this form of blindness but it is widespread – and not only in marketing.

Most of us in the rich and fortunate West are genuinely bewildered to discover that the way of life we know with such untroubled certainty to be civilised seems, with an equivalent certainty, to be the epitome of blasphemy and greed to others.

Jean Aitchison is right. The ability to imagine events from another's point of view is the first qualifying talent of the would-be effective persuader. Those scraps and straws over which we painstakingly pore have no universal significance.

Through different eyes, a single bank note can represent enough Smarties for the entire summer holidays, with a balsa wood glider thrown in; or a handy wedge to stop the table wobbling.

The poor old focus group has had a thoroughly hostile press in recent years – unfairly, I believe. And the reason for that hostility is a confusion in the minds of many commentators between the knowledge you gain from a focus group – and the use you put that knowledge to.

If focus groups tell you that the single European currency is regarded with deep hostility but that corporal punishment has acquired a new popularity, you will deserve every bit of odium hurled at you if, with absolutely no further thought, you pull out of Europe and bring back the birch.

But it is irresponsible government – and potentially suicidal management – deliberately to stay ignorant of the content of other people's minds.

You do not have to agree with what you discover. You should certainly not expect people to tell you what to do next. Nor should you be surprised if what people say they want turns out to be very different from what they subsequently choose. But you should never find yourself ambushed.

I cannot believe that Marks & Spencer was anything other than astonished by the severity of their fall from grace; yet neither can I believe that the signs weren't there for years before it happened.

Marks & Spencer has competitors: and the tiresome thing about competitors, other than their very existence, is that what *they* do has a significant effect on your own reputation.

We all have invisible maps in our heads, on which we plot the position of competing brands. Every brand is allocated its own, unique space. There may or may not be such things as parity products; there are certainly no parity brands.

Fifteen years ago, our mental map of the daily broadsheet newspaper market in this country would have allocated clear positions for *The Daily Telegraph*, *The Guardian* and *The Times*. And then *The Independent* was launched with considerable effect, and all the existing co-ordinates subtly changed: because reputations, as well as being subjective, are also relative. A brand is defined in our minds at least as much by its competitors as by its own behaviour.

These changes to brands take place all the time. A new competitor may occasion a perceptible change – but the really dangerous changes are the daily, tiny, immeasurable, imperceptible changes that accumulate invisibly over time until they've gained often unstoppable significance.

It is all this that leads me to say that brands are living, organic things – because all the time, those with knowledge of a brand are changing. They may grow richer or poorer and will certainly grow older; and as the perceiver changes, so inevitably, does the perception. If a marketing company closes both its eyes and its ears; if it relies on the single dimension of current sales; if it believes that yesterday's successful strategy is an infallible guide to tomorrow's profit: then it's heading for disillusionment of barometric severity.

A commitment to monitoring changes in brand perception demands constant vigilance – and an unusual degree of corporate humility. But it's an absolutely essential procedure for all brand stewards anxious to protect themselves from extremely unwelcome surprises.

The means by which these scraps and straws infiltrate the human mind remain something of a mystery.

The advertising world, in the teeth of instinct and much evidence, insisted for years that brand choice was the result of persuasive argument consciously processed.

Consumers were assumed to notice an advertisement; become engaged by its overt promise or proposition; and be thereby consciously persuaded to buy. It was a neat, linear, deterministic model that brought great comfort to disorientated advertisers and communications researchers alike: it offered consistency, rationality and some deeply desirable opportunities for measurement. The model put much emphasis on both attention and memory: and, what luck, both could be readily quantified.

It was always a deeply unsatisfactory model and, in practice, was widely ignored by advertising practitioners. But despite the occasional guerrilla attack on its underlying premise, it remained the least worst respectable model in town.

This year, Robert Heath has published an important monograph: I quoted from it earlier. It's called *The Hidden Power of Advertising* but its subtitle is a much more accurate label: *How low involvement processing influences the way we choose brands*.

I will not attempt to take you through his own processes of thought; it is enough for you to know that it's a rigorous work and draws on new understanding from the worlds of neuroscience and psychology. But I will quote at some length from his own summary.

“Consumers in general regard most reputable brands as performing similarly and because of this they do not regard learning about brands as being very important. Brand decisions tend to be made intuitively rather than rationally.

“Because it is not seen as very important, most brand information tends not so much to be actively ‘sought’ as passively ‘acquired’. Brand communication, such as advertising, tends to be processed at very low attention levels and we generally do not work very hard to learn or understand what we are being told about the brand.

“Mostly we process brand communication using an automatic mental process called low involvement processing. Low involvement processing is a complex mixture of semi-conscious and subconscious activity. Much of it involves what is known as ‘implicit’ learning – learning that takes place without you knowing that you are learning.

“The way our long-term memory works means that the more often something is processed alongside a brand, the more permanently it becomes associated with that brand. Thus, it is the perceptions and simple concepts, repeatedly and ‘implicitly’ reinforced at low levels of attention, which tend over time to define brands in our minds. And because implicit memory is more durable than explicit memory, these brand associations, once learned, are rarely forgotten.”

To me, that makes absolute sense. It feels right.

When I examine the inside of my own head, and look at some of the brand reputations that reside there, I cannot for the life of me trace their source.

I have learnt without knowing I was learning; I have absorbed, by some unconscious osmotic process, a range of stimuli – and from these, equally unconsciously, I have constructed a coherent brand character.

So let me return to these scraps and straws from which we, as individuals, infer so much.

And let me move from those brand communications over which the marketing company has theoretical control – product, advertising, packaging, price, promotions, for example – to brand encounters of a far more accidental nature.

You see a truck, boldly branded, driving badly on the M25. You see a pack in the house of someone you dislike. You read that the company that makes the product has been taken to court for racial discrimination. The daughter of a friend is fired by the parent company. You receive an illiterate and ill-spelt letter from head office. After holding on for 25 minutes, you have still to speak to a human being at the company's call centre.

Like people, brands have body language; and it's a language we understand. Every time we encounter a brand, we make an infinitesimal and subconscious adjustment to our personally constructed brand picture: and in each of the instances mentioned above, those adjustments will not be in the brand's favour.

And the reason it matters is this. The luxury of choice that we all enjoy; the fact that, however crassly sometimes, competitive companies are fighting for our cash and our custom; all this means that, in allocating our loyalty, we welcome reasons to reject a brand almost as eagerly as reasons to prefer it.

As Professor Ehrenberg and others have long demonstrated, and as Robert Heath reminds us, what is called brand loyalty is very rarely a truly exclusive matter. We assume all alternatives to be broadly acceptable; we all have favoured repertoires within each brand category; and we all want to make brand decisions with a minimum of anguish. So however infinitesimally negative a brand encounter may be, the damage it may do to that brand's competitive standing may be serious.

The way we interpret the body language of brands means that the apparently trivial can be greatly significant.

In the performing arts, or so I'm told, they preach something called 'transitive action'. And what this means, or so I'm told, is that good writers and directors encourage an audience to deduce character and motivation not from what is explicitly said but from what that audience observes being *done*.

The best brand stewards, too, encourage their potential customers to deduce character not just from claim and assertion – from presentation – but from transitive action: from brand behaviour.

I have long admired a supermarket in the States. Proud of their reputation for fresh produce, they had always removed the outside leaves of lettuces before putting them on display. One day, a lowly member of staff made a modest suggestion: and from then on, those outside leaves, instead of being consigned to the garbage bin, were popped into plastic bags and given away free at the checkout – to families whose children kept pet rabbits. Naturally, they called them BunnyBags. I don't think it absurd to suggest that, as a result, 15 years on, those children will choose to take their own children to that very same supermarket.

Some years ago, a friend of mine was a lunch guest in the Connaught Hotel dining room – and noticed his host first of all patting his pockets ineffectively and then peering miserably at the menu. No word was said: but within a minute, a waiter had appeared with a velvet-lined tray on which were displayed ten pairs of reading glasses of different levels of magnification. My friend, the guest, has been a loyal Connaught user ever since; and remember – it wasn't even him who needed the glasses.

BunnyBags and reading specs: two very small examples of brand behaviour with much in common.

Both showed an understanding of A Theory of Mind: they put themselves in the place of their customers; they understood what it was like to be a small child with pet rabbits or an embarrassed businessman finding small print difficult.

Both understood the importance of transitive action, of brand body language. They invited their customers to infer, from behaviour, rather than to accept from boastful claim or assertion.

And both realised – or simply, perhaps, instinctively felt – that the apparently trivial can, in interpretation, take on quite disproportionate and positive significance.

I believe the best brand stewards of the future will recognise the potential power of such body language; and demand much more in the way of brand action and rather less in the way of empty self-praise.

They will also, I believe, have to come to terms with perhaps the most daunting of my propositions.

There was once a time when most brands had no publicly recognised parents. You bought your packet of Persil or your jar of Marmite and knew absolutely nothing, and cared rather less, about the company behind them. For two quite different but converging sets of reasons, that is changing fast – and will continue to do so.

The age of the free-standing brand is nearly over. For reasons widely understood, most brands now – and nearly all new brands – trumpet the name of their parent. The parent may be a company or an already established brand but the reasoning is the same: let's leverage our brand equity; let's trade on the trust we've already so painstakingly and expensively built.

But of course, just as the good news can be shared and spread through such linkages, so can the bad. Free-standing brands – orphan brands, with no known parents – may be non-contagious. But when brand relationships are not just public but widely publicised, bad news from one can rapidly become an epidemic.

The effect of the internet is to accelerate the chances of brand contagion. The internet means that there is nowhere to hide. You cannot charge \$350 for a pair of chinos and pay third world workers \$3.50 a day to make them and hope to go unnoticed. You cannot deprive your own workforce of knowledge of your company's performance when they have ready access to it elsewhere. You cannot ignore the conversations that your networked employees are having with your networked customers. For more on this, consult the *The Cluetrain Manifesto*: a splendidly anarchic rant, of internet origins. Once you have read it, feel free to ignore quite a lot of it; but don't fail to read it and don't ignore it all.

And – as Tim Ambler pointed out – Naomi Klein's book *No Logo* is not, as is widely supposed, an attack on brands; it's an exposé, as she sees it, of the double standards of multinational corporations and the risks they run.

This convergence of company and brand, this reckless openness of communication, this threat to general reputation that any specific transgression now poses, is quite enough reason for the chief executive to take a very close interest indeed in the management of his brands. Or perhaps I should say, his brand.

But there's another, more positive reason.

Today, to a marked extent, all brands are service brands. Other than street traders, few businesses now see their only function as being simply to make a sale. After-sales service, relationship marketing, the concept of lifetime value, the growth of interactive media: all these trends and developments mean that the creation and maintenance of a valued brand should now quite clearly be the responsibility not of some relatively lowly brand manager but of the chief executive of the enterprise itself.

This is not just a defensive measure: the competitive opportunities presented by the deliberate creation of a corporate brand are immense. They are described in detail, with impressive case studies, in a book called *The Masterbrand Mandate* by Lynn Upshaw and Earl Taylor.

The extension of the principles of branding from product to company means opening up the whole marketing strategy to absolutely everyone within that company. It means recognising that every corporate action, every corporate decision, every corporate communication will be seen as a clue – as one of those all-important scraps and straws from which people build brands.

It means confiding in your workforce and training them and asking them for constructive suggestions. It means trusting them to respond to customer dissatisfaction both immediately and personally, without cowering behind head office instructions. It means as conscious an application of internal marketing –internal communications – as we give to our external marketing.

If you want to get a feel for the corporate brand, think of some successful first generation companies – companies such as Dyson or Pret à Manger. Still led by their forceful founders, they embody and broadcast a single-minded and unifying set of values. And that which is done instinctively and obsessively by such pioneers can be done equally well by the chief executives of long established companies: but only if they are prepared first to understand and then to undertake the role of brand steward.

The value to the company, of course, if they get it right, extends well beyond sales levels and profit margins: it extends into labour relations and press relations and investor relations; it helps in the retention of valued executives; it gives them a competitive edge when recruiting new graduates.

But while recognising and recommending the masterbrand strategy, let me return to the Niall FitzGerald warning.

However brilliantly reputation management may be masterminded, and however much that reputation contributes to differentiation and competitive success, if there's anything fundamentally wrong with the product, then ultimate failure – I'm extremely happy to report – remains inevitable.

The authors of *The Masterbrand Mandate* devote a whole page of praise to a giant American company which was "transforming itself into a brand-based organisation." They report that "Messages about creativity and innovation are sent to employees through their intranet, via T-shirts, in print and television advertising, at employee meetings, in self-training programs." This is the corporation that won *Fortune* magazine's "Most Innovative US Company" award four times in the mid-1990s – and it's called Enron.

It's stories like this that give immense comfort to brand-averse CEOs. "There you are," they say, "it's all smoke and mirrors stuff. Only charlatans rabbit on about brands. All puff and no substance. Never lasts. Now let's get back to counting things."

But of course, the authors weren't wrong to recognise what Enron was doing. If the fundamentals of the Enron operation had been solid, what Enron was doing would have indeed been admirable. An obsession with the management of brands must never be at the expense of functional efficiency. Indeed, as I hope I've stressed, and stressed indelibly, functional efficiency is a strong brand's first prerequisite. But that simple thought seems to get forever lost.

I was very happy to accept your invitation to deliver this lecture. I was even foolish enough, as I began to write it, to believe that I might be able to bring a little enlightenment to the subject – and encourage some of those hesitant CEOs to take on their rightful mantle of chief brand steward.

Instead, as I now realise, I started with 13 daunting brand facts and ended by inviting you to admire Enron. I must have put the brand cause back by at least 10 years. ■

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Jeremy Bullmore

Jeremy Bullmore was born in 1929. He went from school to National Service, then to Oxford where he spent two years not reading English. His first job, in 1954, was as a trainee copywriter with J. Walter Thompson in London, and he stayed with that agency until his retirement in 1987. He became successively copywriter, writer/producer, creative group head and head of television; then from 1964 to 1975, head of the creative department and from 1976 to 1987, chairman, London. He was a member of the J. Walter Thompson worldwide board and, from 1981 to 1987, chairman of the Advertising Association.

He has been a non-executive director of WPP since 1988 and was a non-executive director of the Guardian Media Group from 1998 to 2001. He has continued to write and speak regularly about advertising and marketing and is a regular columnist for *Campaign*, *Management Today* and *Market Leader*. He was awarded a CBE in 1985.

He is married to Pamela, a garden designer and writer. They have three grown-up children and live in London and Wiltshire.

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