# *CHAPTER ONE*

## NEW BRANDED WORLD

> *As a private person, I have a passion for landscape, and I have never seen one improved by a billboard. Where every prospect pleases, man is at his vilest when he erects a billboard. When I retire from Madison Avenue, I am going to start a secret society of masked vigilantes who will travel around the world on silent motor bicycles, chopping down posters at the dark of the moon. How many juries will convict us when we are caught in these acts of beneficent citizenship?*
>
> *— David Ogilvy, founder of the Ogilvy & Mather advertising agency, in Confessions of an Advertising Man, 1963*

The astronomical growth in the wealth and cultural influence of multinational corporations over the last fifteen years can arguably be traced back to a single, seemingly innocuous idea developed by management theorists in the mid-1980s: that successful corporations must primarily produce brands, as opposed to products.

Until that time, although it was understood in the corporate world that bolstering one's brand name was important, the primary concern of every solid manufacturer was the production of goods. This idea was the very gospel of the machine age. An editorial that appeared in Fortune magazine in 1938, for instance, argued that the reason the American economy had yet to recover from the Depression was that America had lost sight of the importance of making things:

> This is the proposition that the basic and irreversible function of an industrial economy is *the making of things*; that the more things it makes the bigger will be the income, whether dollar or real; and hence that the key to those lost recuperative powers lies... in the factory where the lathes and the drills and the fires and the hammers are. It is in the factory and on the land and under the land that purchasing power *originates* [italics theirs].

And for the longest time, the making of things remained, at least in principle, the heart of all industrialized economies. But by the eighties, pushed along by that decade's recession, some of the most powerful manufacturers in the world had begun to falter. A consensus emerged that corporations were bloated, oversized; they owned too much, employed too many people, and were wired down with too many things. The very process of producing-running one's own factories, being responsible for tens of thousands of full-time,

permanent employees —began to look less like the route to success and more like a clunky liability.

At around this same time a new kind of corporation began to rival the traditional all-American manufacturers for market share; these were the Nikes and Microsoft's, and later, the Tommy Hilfiger's and Intel's. These pioneers made the bold claim that producing goods was only an incidental part of their operations, and that thanks to recent victories in trade liberalization and labour-law reform; they were able to have their products made for them by contractors, many of them overseas. What these companies produced primarily were not things, they said, but images of their brands. Their real work lay not in manufacturing but in marketing. This formula, needless to say, has proved enormously profitable, and its success has companies competing in a race toward weightlessness: whoever owns the least has the fewest employees on the payroll and produces the most powerful images, as opposed to products, wins the race.

And so the wave of mergers in the corporate world over the last few years is a deceptive phenomenon: it only looks as if the giants, by joining forces, are getting bigger and bigger. The true key to understanding these shifts is to realize that in several crucial ways - not their profits, of course - these merged companies are actually shrinking. Their apparent bigness is simply the most effective route toward their real goal: divestment of the world of things.

Since many of today's best-known manufacturers no longer produce products and advertise them, but rather buy products and "brand" them, these companies are forever on the prowl for creative new ways to build and strengthen their brand images. Manufacturing products may require drills, furnaces, hammers and the like, but creating a brand calls for a completely different set of tools and materials. It requires an endless parade of brand extensions, continuously renewed imagery for marketing and, most of all, fresh new spaces to disseminate the brand's idea of itself. In this section of the book, I'll look at how, in ways both insidious and overt, this corporate obsession with brand identity is waging a war on public and individual space: on public institutions such as schools, on youthful identities, on the concept of nationality and on the possibilities for unmarketed space.

## The Beginning of the Brand

It's helpful to go back briefly and look at where the idea of branding first began. Though the words are often used interchangeably, branding and advertising is not the same process. Advertising any given product is only one part of branding's grand plan, as are sponsorship and logo licensing. Think of the brand as the core meaning of the modern corporation, and of the advertisement as one vehicle used to convey that meaning to the world.

The first mass-marketing campaigns, starting in the second half of the nineteenth century, had more to do with advertising than with branding as we understand it today. Faced with a range of recently invented products — the radio, phonograph, car, light bulb and so on - advertisers had more pressing tasks than creating a brand identity for any given corporation; first, they had to change the way people lived their lives. Ads had to inform consumers about the existence of some new invention, then convince them that their lives would be better if they used, for example, cars instead of wagons, telephones instead of mail and electric light instead of oil lamps. Many of these new products bore brand names —some of which are still around today— but these were almost incidental. These products were themselves news; that was almost advertisement enough.

The first brand-based products appeared at around the same time as the invention-based ads, largely because of another relatively recent innovation: The factory. When goods began to be produced in factories, not only were entirely new products being introduced but old products — even basic staples -were appearing in strikingly new forms. What made early branding efforts different from more straightforward salesmanship was that the market was now being flooded with uniform mass-produced products that were virtually indistinguishable from one another. Competitive branding became a necessity of the machine age — within a context of manufactured sameness; image-based difference had to be manufactured along with the product.

So the role of advertising changed from delivering product news bulletins to building an image around a particular brand-name version of a product. The first task of branding was to bestow proper names on generic goods such as sugar, flour, soap and cereal, which

had previously been scooped out of barrels by local shopkeepers. In the 1880s, corporate logos were introduced to mass-produced products like Campbell's Soup, HJ. Heinz pickles and Quaker Oats cereal. As design historians and theorists Ellen Lupton and J. Abbott Miller note, logos were tailored to evoke familiarity and folksiness (see Aunt Jemima, page 2), in an effort to counteract the new and unsettling anonymity of packaged goods. "Familiar personalities such as Dr. Brown, Uncle Ben, Aunt Jemima, and Old Grand-Dad came to replace the shopkeeper, who was traditionally responsible for measuring bulk foods for customers and acting as an advocate for products... a nationwide vocabulary of brand names replaced the small local shopkeeper as the interface between consumer and product." After the product names and characters had been established, advertising gave them a venue to speak directly to would-be consumers. The corporate "personality," uniquely named, packaged and advertised, had arrived.

For the most part, the ad campaigns at the end of the nineteenth century and the start of the twentieth used a set of rigid, pseudoscientific formulas: rivals were never mentioned, ad copy used declarative statements only and headlines had to be large, with lots of white space - according to one turn-of-the-century adman, "an advertisement should be big enough to make an impression but not any bigger than the thing advertised."

But there were those in the industry who understood that advertising wasn't just scientific; it was also spiritual. Brands could conjure a feeling — think of Aunt Jemima's comforting presence —but not only that, entire corporations could themselves embody a meaning of their own. In the early twenties, legendary adman Bruce Barton turned General Motors into a metaphor for the American family, "something personal, warm and human," while GE was not so much the name of the faceless General Electric Company as, in Barton's words, "the initials of a friend." In 1923 Barton said that the role of advertising was to help corporations find their soul. The son of a preacher, he drew on his religious upbringing for uplifting messages: "I like to think of advertising as something big, something splendid, something which goes deep down into an institution and gets hold of the soul of it.... Institutions have souls, just as men and nations have souls," he told GM president Pierre du Pont. General Motors ads began to tell stories about the people who drove its cars — the preacher, the pharmacist or the country doctor who, thanks to his trusty GM, arrived "at the bedside of a dying child" just in time "to bring it back to life."

By the end of the 1940s, there was a burgeoning awareness that a brand wasn't just a mascot or a catchphrase or a picture printed on the label of a company's product; the company as a whole could have a brand identity or a "corporate consciousness," as this ephemeral quality was termed at the time. As this idea evolved, the adman ceased to see himself as a pitchman and instead saw himself as "the philosopher-king of commercial culture," in the words of ad critic Randall Rothberg. The search for the true meaning of brands - or the "brand essence," as it is often called - gradually took the agencies away from individual products and their attributes and toward a psychological/anthropological examination of what brands mean to the culture and to people's lives. This was seen to be of crucial importance, since corporations may manufacture products, but what consumers buy are brands.

It took several decades for the manufacturing world to adjust to this shift. It clung to the idea that its core business was still production and that branding was an important add-on. Then came the brand equity mania of the eighties, the defining moment of which arrived in 1988 when Philip Morris purchased Kraft for $12.6 billion-six times what the company was worth on paper. The price difference, apparently, was the cost of the word "Kraft." Of course Wall Street was aware that decades of marketing and brand bolstering added value to a company over and above its assets and total annual sales. But with the Kraft purchase, a huge dollar value had been assigned to something that had previously been abstract and unquantifiable -a brand name. This was spectacular news for the ad world, which was now able to make the claim that advertising spending was more than just a sales strategy: it was an investment in cold hard equity. The more you spend, the more your company is worth. Not surprisingly, this led to a considerable increase in spending on advertising. More important, it sparked a renewed interest in puffing up brand identities, a project that involved far more than a few billboards and TV spots. It was about pushing the envelope in sponsorship deals, dreaming up new areas in which to "extend" the brand, as well as perpetually probing the Zeitgeist to ensure that the "essence" selected for one's brand would resonate karmically with its target market. For reasons that will be explored in the rest of this chapter, this radical shift in corporate philosophy has sent manufacturers on a cultural feeding frenzy as they seize upon every corner of unmarketed landscape in search of the oxygen needed to inflate their brands. In the process, virtually nothing has

been left un-branded. That's quite an impressive feat, considering that as recently as 1993 Wall Street had pronounced the brand dead, or as good as dead.

## The Brand's Death (Rumours of Which Had Been Greatly Exaggerated)

The evolution of the brand had one scary episode when it seemed to face extinction. To understand this brush with death, we must first come to terms with advertising's own special law of gravity, which holds that if you aren't rocketing upward you will soon come crashing down.

The marketing world is always reaching a new zenith, breaking through last year's world record and planning to do it again next year with increasing numbers of ads and aggressive new formulae for reaching consumers. The advertising industry's astronomical rate of growth is neatly reflected in year-to-year figures measuring total ad spending in the U.S., which have gone up so steadily that by 1998 the figure was set to reach $196.5 billion, while global ad spending is estimated at $435 billion. According to the 1998 United Nations Human Development Report, the growth in global ad spending "now outpaces the growth of the world economy by one-third."

This pattern is a by-product of the firmly held belief that brands need continuous and constantly increasing advertising in order to stay in the same place. According to this law of diminishing returns, the more advertising there is out there (and there always is more, because of this law), the more aggressively brands must market to stand out. And of course, no one is more keenly aware of advertising's ubiquity than the advertisers themselves, who view commercial inundation as a clear and persuasive call for more-and more intrusive-advertising. With so much competition, the agencies argue, clients must spend more than ever to make sure their pitch screeches so loud it can be heard over all the others. David Lubars, a senior ad executive in the Omnicom Group, explains the industry's guiding principle with more candour than most. Consumers, he says, "are like roaches —you spray them and spray them and they get immune after a while."

So, if consumers are like roaches, then marketers must forever be dreaming up new concoctions for industrial-strength Raid. And nineties marketers, being on a more advanced rung of the sponsorship spiral, have dutifully come up with clever and intrusive new selling techniques to do just that. Recent highlights include these innovations: Gordon's gin experimented with filling British movie theatres with the scent of juniper berries; Calvin Klein stuck "CK Be" perfume strips on the backs of Ticketmaster concert envelopes; and in some Scandinavian countries you can get "free" long-distance calls with ads cutting into your telephone conversations. And there's plenty more, stretching across ever more expansive surfaces and cramming into the smallest of crevices: sticker ads on pieces of fruit promoting ABC sitcoms, Levi's ads in public washrooms, corporate logos on boxes of Girl Guide cookies, ads for pop albums on takeout food containers, and ads for Batman movies projected on sidewalks or into the night sky. There are already ads on benches in national parks as well as on library cards in public libraries, and in December 1998 NASA announced plans to solicit ads on its space stations. Pepsi's ongoing threat to project its logo onto the moon's surface hasn't yet materialized, but Mattel did paint an entire street in Salford, England, "a shriekingly bright bubblegum hue" of pink-houses, porches, trees, road, sidewalk, dogs and cars were all accessories in the televised celebrations of Barbie Pink Month. Barbie is but one small part of the ballooning $30 billion "experiential communication" industry, the phrase now used to encompass the staging of such branded pieces of corporate performance art and other "happenings." That we live a sponsored life is now a truism and it's a pretty safe bet that as spending on advertising continues to rise, we roaches will be treated to even more of these ingenious gimmicks, making it ever more difficult and more seemingly pointless to muster even an ounce of outrage.

But as mentioned earlier, there was a time when the new frontiers facing the advertising industry weren't looking quite so promising. On April 2, 1993, advertising itself was called into question by the very brands the industry had been building, in some cases, for over two centuries. That day is known in marketing circles as "Marlboro Friday," and it refers to a sudden announcement from Philip Morris that it would slash the price of Marlboro cigarettes by 20 percent in an attempt to compete with bargain brands that were eating


Marlboro Country.

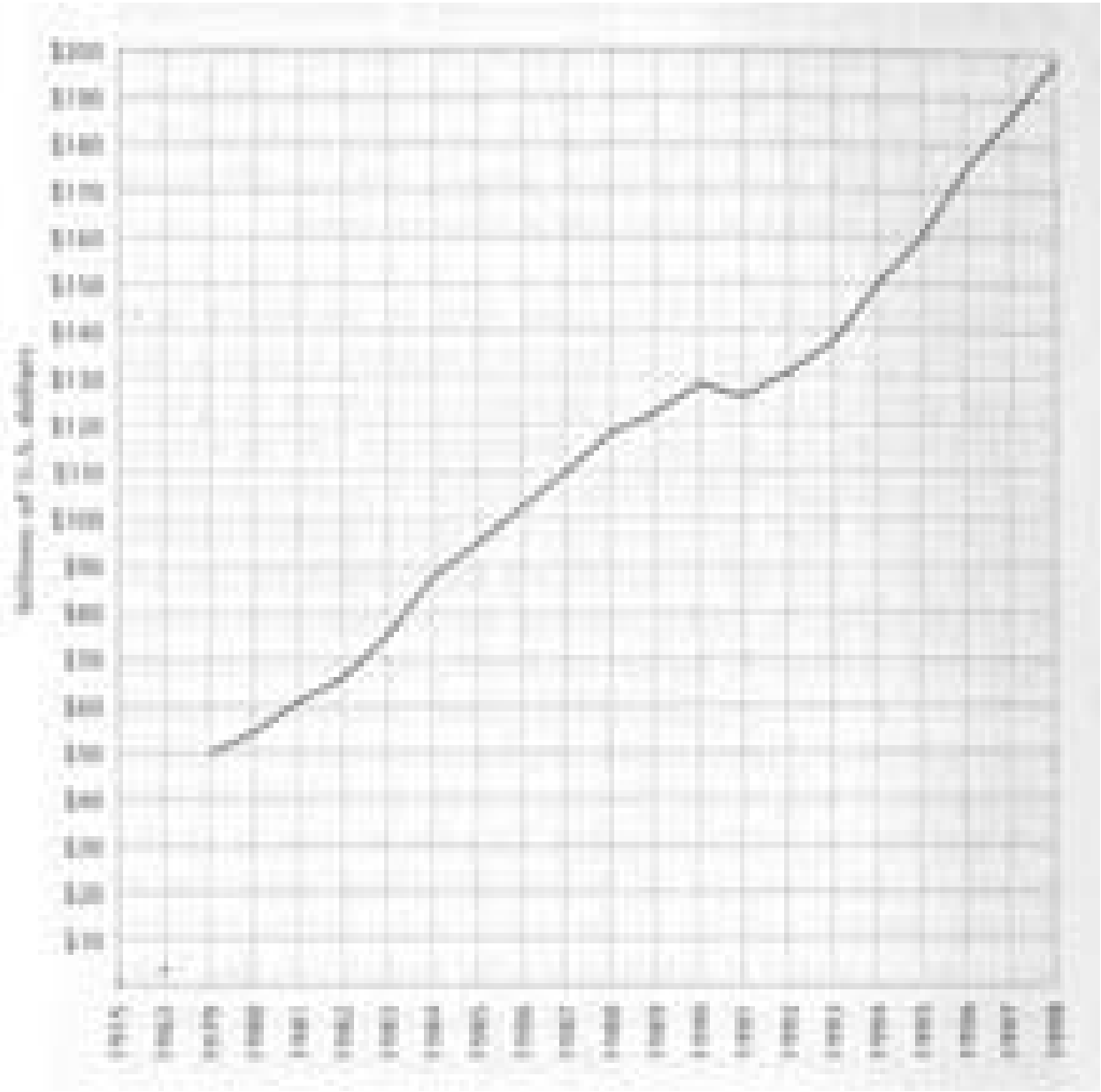

*Table 1.1 – Total overall ad expenditures in the United States, 1915, 1963, 1979-98*

into its market. The pundits went nuts, announcing in frenzied unison that not only was Marlboro dead, all brand names were dead. The reasoning was that if a "prestige" brand like Marlboro, whose image had been carefully groomed, preened and enhanced with more than a billion advertising dollars, was desperate enough to compete with no-names, then clearly the whole concept of branding had lost its currency. The public had seen the

advertising, and the public didn't care. The Marlboro Man, after all, was not any old campaign; launched in 1954, it was the longest-running ad campaign in history. It was a legend. If the Marlboro Man had crashed, well, then, brand equity had crashed as well. The implication that Americans were suddenly thinking for themselves en masse reverberated through Wall Street. The same day Philip Morris announced its price cut, stock prices nose-dived for all the household brands: Heinz, Quaker Oats, Coca-Cola, PepsiCo, Procter and Gamble and RJR Nabisco. Philip Morris's own stock took the worst beating. Bob Stanojev, national director of consumer products marketing for Ernst and Young, explained the logic behind Wall Street's panic: "If one or two powerhouse consumer products companies start to cut prices for good, there's going to be an avalanche. Welcome to the value generation."

Yes, it was one of those moments of overstated instant consensus, but it was not entirely without cause. Marlboro had always sold itself on the strength of its iconic image marketing, not on anything as prosaic as its price. As we now know, the Marlboro Man survived the price wars without sustaining too much damage. At the time, however, Wall Street saw Philip Morris's decision as symbolic of a sea change. The price cut was an admission that Marlboro's name was no longer sufficient to sustain the flagship position, which in a context where image is equity meant that Marlboro had blinked. And when Marlboro-one of the quintessential global brands -blinks, it raises questions about branding that reach beyond Wall Street, and way beyond Philip Morris.

The panic of Marlboro Friday was not a reaction to a single incident. Rather, it was the culmination of years of escalating anxiety in the face of some rather dramatic shifts in consumer habits that were seen to be eroding the market share of household-name brands, from Tide to Kraft. Bargain-conscious shoppers, hit hard by the recession, were starting to pay more attention to price than to the prestige bestowed on their products by the yuppie ad campaigns of the 1980s. The public was suffering from a bad case of what is known in the industry as "brand blindness."

Study after study showed that baby boomers, blind to the alluring images of advertising and deaf to the empty promises of celebrity spokespersons, were breaking their lifelong brand loyalties and choosing to feed their families with private-label brands from the

supermarket - claiming, heretically, that they couldn't tell the difference. From the beginning of the recession to 1993, Loblaw's President's Choice line, Wal-Mart's Great Value and Marks and Spencer's St. Michael prepared foods had nearly doubled their market share in North America and Europe. The computer market, meanwhile, was flooded by inexpensive clones, causing IBM to slash its prices and otherwise impale itself. It appeared to be a return to the proverbial shopkeeper dishing out generic goods from the barrel in a prebranded era.

The bargain craze of the early nineties shook the name brands to their core. Suddenly it seemed smarter to put resources into price reductions and other incentives than into fabulously expensive ad campaigns. This ambivalence began to be reflected in the amounts companies were willing to pay for so-called brand-enhancing advertising. Then, in 1991, it happened: overall advertising spending actually went down by 5.5 percent for the top 100 brands. It was the first interruption in the steady increase of U.S. ad expenditures since a tiny dip of 0.6 percent in 1970, and the largest drop in four decades.

It's not that top corporations weren't flogging their products, it's just that to attract those suddenly fickle customers, many decided to put their money into promotions such as giveaways, contests, in-store displays and (like Marlboro) price reductions. In 1983, American brands spent 70 percent of their total marketing budgets on advertising, and 30 percent on these other forms of promotion. By 1993, the ratio had flipped: only 25 percent went to ads, with the remaining 75 percent going to promotions.

Predictably, the ad agencies panicked when they saw their prestige clients abandoning them for the bargain bins and they did what they could to convince big spenders like Procter and Gamble and Philip Morris that the proper route out of the brand crisis wasn't less brand marketing but more. At the annual meeting of the U.S. Association of National Advertisers in 1988, Graham H. Phillips, the U.S. chairman of Ogilvy & Mather, berated the assembled executives for stooping to participate in "a commodity marketplace" rather than an image-based one. "I doubt that many of you would welcome a commodity marketplace in which one competed solely on price, promotion and trade deals, all of which can easily be duplicated by competition, leading to ever-decreasing profits, decay and eventual bankruptcy." Others spoke of the importance of maintaining "conceptual

value-added," which in effect means adding nothing but marketing. Stooping to compete on the basis of real value, the agencies ominously warned, would spell not just the death of the brand, but corporate death as well.

Around the same time as Marlboro Friday, the ad industry felt so under siege that market researcher Jack Myers published Adbashing: Surviving the Attacks on Advertising, a book-length call to arms against everyone from supermarket cashiers handing out coupons for canned peas to legislators contemplating a new tax on ads. "We, as an industry, must recognize that adbashing is a threat to capitalism, to a free press, to our basic forms of entertainment, and to the future of our children," he wrote. Despite these fighting words, most market watchers remained convinced that the heyday of the value-added brand had come and gone. The eighties had gone in for brands and hoity-toity designer labels, reasoned David Scotland, European director of Hiram Walker. The nineties would clearly be all about value. "A few years ago," he observed, "it might have been considered smart to wear a shirt with a designer's logo embroidered on the pocket; frankly, it now seems a bit naff."

And from the other side of the Atlantic, Cincinnati journalist Shelly Reese came to the same conclusion about our no-name future, writing that "Americans with Calvin Klein splashed across their hip pocket aren't pushing grocery carts full of Perrier down the aisles anymore. Instead they're sporting togs with labels like Kmart's Jaclyn Smith and manoeuvring carts full of Kroger Co.'s Big K soda. Welcome to the private label decade."

Scotland and Reese, if they remember their bold pronouncements, are probably feeling just a little bit silly right now. Their embroidered "pocket" logos sound positively subdued by today's logo maniacal standards, and sales of name-brand bottled water have been increasing at an annual rate of 9 percent, turning it into a $3.4 billion industry by 1997. From today's logo-quilted perch, it's almost unfathomable that a mere six years ago, death sentences for the brand seemed not only plausible but self-evident.

So just how did we get from obituaries for Tide to today's battalions of volunteer billboards for Tommy Hilfiger, Nike and Calvin Klein? Who slipped the steroids into the brand's comeback?

## The Brands Bounce Back

There were some brands that were watching from the sidelines as Wall Street declared the death of the brand. Funny, they must have thought, we don't feel dead.

Just as the admen had predicted at the beginning of the recession, the companies that exited the downturn running were the ones who opted for marketing over value every time: Nike, Apple, the Body Shop, Calvin Klein, Disney, Levi's and Starbucks. Not only were these brands doing just fine, thank you very much, but the act of branding was becoming a larger and larger focus of their businesses. For these companies, the ostensible product was mere filler for the real production: the brand. They integrated the idea of branding into the very fabric of their companies. Their corporate cultures were so tight and cloistered that to outsiders they appeared to be a cross between fraternity house, religious cult and sanatorium. Everything was an ad for the brand: bizarre lexicons for describing employees (partners, baristas, team players, and crew members), company chants, superstar CEOs, fanatical attention to design consistency, a propensity for monument-building and New Age mission statements. Unlike classic household brand names, such as Tide and Marlboro, these logos weren't losing their currency; they were in the midst of breaking every barrier in the marketing world —becoming cultural accessories and lifestyle philosophers. These companies didn't wear their image like a cheap shirt —their image was so integrated with their business that other people wore it as their shirt. And when the brands crashed, these companies didn't even notice —they were branded to the bone.

So the real legacy of Marlboro Friday is that it simultaneously brought the two most significant developments in nineties marketing and consumerism into sharp focus: the deeply unhip big-box bargain stores that provide the essentials of life and monopolize a disproportionate share of the market (Wal-Mart ct al.) and the extra-premium "attitude" brands that provide the essentials of lifestyle and monopolize ever-expanding stretches of cultural space (Nike et al.). The way these two tiers of consumerism developed would have a profound impact on the economy in the years to come. When overall ad expenditures took a nosedive in 1991, Nike and Reebok were busy playing advertising chicken, with each company increasing its budget to outspend the other. In 1991 alone, Reebok upped its ad spending by 71.9 percent, while Nike pumped an extra 24.6 percent

into its already soaring ad budget, bringing the company's total spending on marketing to a staggering $250 million annually. Far from worrying about competing on price, the sneaker pimps were designing ever more intricate and pseudoscientific air pockets, and driving up prices by signing star athletes to colossal sponsorship deals. The fetish strategy seemed to be working fine: in the six years prior to 1993, Nike had gone from a $750 million company to a $4 billion one and Phil Knight's Beaverton, Oregon, company emerged from the recession with profits 900 percent higher than when it began.

Benetton and Calvin Klein, meanwhile, were also upping their spending on lifestyle marketing, using ads to associate their lines with risqué art and progressive politics. Clothes barely appeared in these high-concept advertisements, let alone prices. Even more abstract was Absolut Vodka, which for some years now had been developing a marketing strategy in which its product disappeared and its brand was nothing but a blank bottle-shaped space that could be filled with whatever content a particular audience most wanted from its brands: intellectual in Harper's, futuristic in Wired, alternative in Spin, loud and proud in Out and "Absolut Centrefold" in Playboy. The brand reinvented itself as a cultural sponge, soaking up and morphing to its surroundings.

Saturn, too, came out of nowhere in October 1990 when GM launched a car built not out of steel and rubber but out of New Age spirituality and seventies feminism. After the car had been on the market a few years, the company held a "homecoming" weekend for Saturn owners, during which they could visit the auto plant and have a cookout with the people who made their cars. As the Saturn ads boasted at the time, "44,000 people spent their vacations with us, at a car plant." It was as if Aunt Jemima had come to life and invited you over to her house for dinner.

In 1993, the year the Marlboro Man was temporarily hobbled by "brand-blind" consumers, Microsoft made its striking debut on Advertising Age's list of the top 200 ad spenders-the very same year that Apple computer increased its marketing budget by 30 percent after already making branding history with its Orwellian takeoff ad launch during the 1984 Super Bowl (see image on page 86). Like Saturn, both companies were selling a hip new relationship to the machine that left Big Blue IBM looking as clunky and menacing as the now-dead Cold War.

And then there were the companies that had always understood that they were selling brands before product. Coke, Pepsi, McDonald's, Burger King and Disney weren't fazed by the brand crisis, opting instead to escalate the brand war, especially since they had their eyes firmly fixed on global expansion. They were joined in this project by a wave of sophisticated producer/retailers who hit full stride in the late eighties and early nineties. The Gap, Ikea and the Body Shop were spreading like wildfire during this period, masterfully transforming the generic into the brand-specific, largely through bold, carefully branded packaging and the promotion of an "experiential" shopping environment. The Body Shop had been a presence in Britain since the seventies, but it wasn't until 1988 that it began sprouting like a green weed on every street corner in the U.S. Even during the darkest years of the recession, the company opened between forty and fifty American stores a year. Most baffling of all to Wall Street, it pulled off the expansion without spending a dime on advertising. Who needed billboards and magazine ads when retail outlets were three-dimensional advertisements for an ethical and ecological approach to cosmetics? The Body Shop was all brand.

The Starbucks coffee chain, meanwhile, was also expanding during this period without laying out much in advertising; instead, it was spinning off its name into a wide range of branded projects: Starbucks airline coffee, office coffee, coffee ice cream, coffee beer. Starbucks seemed to understand brand names at a level even deeper than Madison Avenue, incorporating marketing into every fibre of its corporate concept-from the chain's strategic association with books, blues and jazz to its Euro-latte lingo. What the success of both the Body Shop and Starbucks showed was how far the branding project had come in moving beyond splashing one's logo on a billboard. Here were two companies that had fostered powerful identities by making their brand concept into a virus and sending it out into the culture via a variety of channels: cultural sponsorship, political controversy, the consumer experience and brand extensions. Direct advertising, in this context, was viewed as a rather clumsy intrusion into a much more organic approach to image building.

Scott Bedbury, Starbucks' vice president of marketing, openly recognized that "consumers don't truly believe there's a huge difference between products," which is why brands must "establish emotional ties" with their customers through "the Starbucks Experience." The people who line up for Starbucks, writes CEO Howard Shultz, aren't just there for the

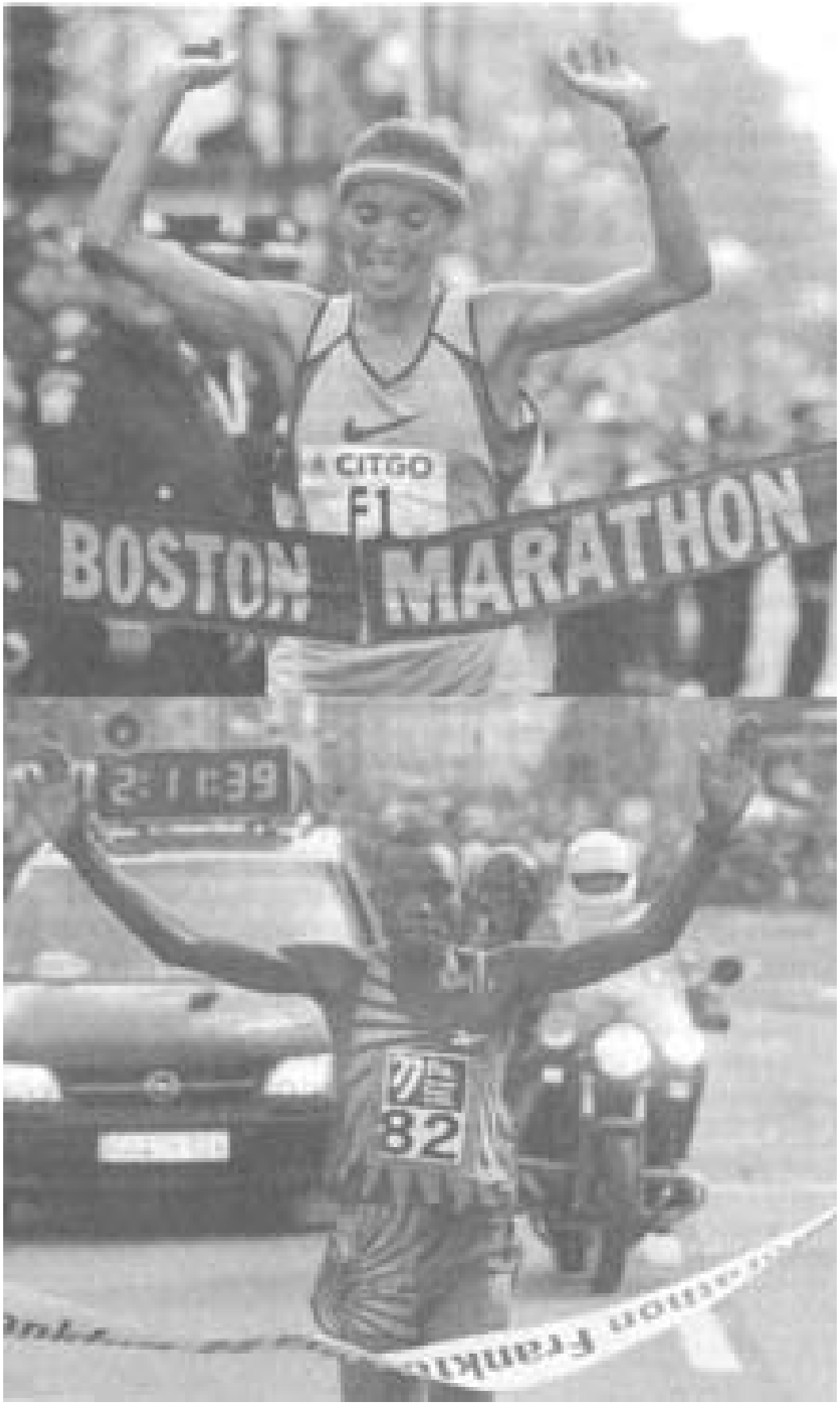
CITGO
F1
BOSTON MARATHON
2:11:39
82


*Table 1-2 Nike & Reebok Ad Spending, 1985-97*

coffee. "It's the romance of the coffee experience, the feeling of warmth and community people get in Starbucks stores."

Interestingly, before moving to Starbucks, Bedbury was head of marketing at Nike, where he oversaw the launch of the "Just Do It!" slogan, among other watershed branding moments. In the following passage, he explains the common techniques used to infuse the two very different brands with meaning:

> Nike, for example, is leveraging the deep emotional connection that people have with sports and fitness. With Starbucks, we see how coffee has woven itself into the fabric of people's lives, and that's our opportunity for emotional leverage.... A great brand raises the bar-it adds a greater sense of purpose to the experience, whether it's the challenge to do your best in sports and fitness or the affirmation that the cup of coffee you're drinking really matters.

This was the secret; it seemed, of all the success stories of the late eighties and early nineties. The lesson of Marlboro Friday was that there never really was a brand crisis - only brands that had crises of confidence. The brands would be okay, Wall Street concluded, so long as they believed fervently in the principles of branding and never, ever blinked. Overnight, "Brands, not products!" became the rallying cry for a marketing

renaissance led by a new breed of companies that saw themselves as "meaning brokers" instead of product producers. What was changing was the idea of what -in both advertising and branding-was being sold. The old paradigm had it that all marketing was selling a product. In the new model, however, the product always takes a back seat to the real product, the brand, and the selling of the brand acquired an extra component that can only be described as spiritual. Advertising is about hawking product. Branding, in its truest and most advanced incarnations, is about corporate transcendence.

It may sound flaky, but that's precisely the point. On Marlboro Friday, a line was drawn in the sand between the lowly price slashers and the high-concept brand builders. The brand builders conquered and a new consensus was born: the products that will flourish in the future will be the ones presented not as "commodities" but as concepts: the brand as experience, as lifestyle.

Ever since, a select group of corporations has been attempting to free itself from the corporeal world of commodities, manufacturing and products to exist on another plane. Anyone can manufacture a product, they reason (and as the success of private-label brands during the recession proved, anyone did). Such menial tasks, therefore, can and should be farmed out to contractors and subcontractors whose only concern is filling the order on time and under budget (ideally in the Third World, where labour is dirt cheap, laws are lax and tax breaks come by the bushel). Headquarters, meanwhile, is free to focus on the real business at hand — creating a corporate mythology powerful enough to infuse meaning into these raw objects just by signing its name.

The corporate world has always had a deep New Age streak; fed-it has become clear — by a profound need that could not be met simply by trading widgets for cash. But when branding captured the corporate imagination, New Age vision quests took centre stage. As Nike CEO Phil Knight explains, "For years we thought of ourselves as a production-oriented company, meaning we put all our emphasis on designing and manufacturing the product. But now we understand that the most important thing we do is market the product. We've come around to saying that Nike is a marketing-oriented company, and the product is our most important marketing tool." This project has since been taken to an even more advanced level with the emergence of on-line corporate giants such as

Amazon.com. It is on-line that the purest brands are being built: liberated from the real-world burdens of stores and product manufacturing, these brands are free to soar, less as the disseminators of goods or services than as collective hallucinations.

Tom Peters, who has long coddled the inner flake in many a hard-nosed CEO, latched on to the branding craze as the secret to financial success, separating the transcendental logos and the earthbound products into two distinct categories of companies. "The top half-Coca-Cola, Microsoft, Disney, and so on - are pure 'players' in brainware. The bottom half [Ford and GM] are still lumpy-object purveyors, though automobiles are much 'smarter' than they used to be," Peters writes in The Circle of Innovation (1997), an ode to the power of marketing over production.

When Levi's began to lose market share in the late nineties, the trend was widely attributed to the company's failure — despite lavish ad spending — to transcend its products and become a free-standing meaning. "Maybe one of Levi's problems is that it has no Cola," speculated Jennifer Steinhauer in The New York Times. "It has no denim-toned house paint. Levi makes what is essentially a commodity: blue jeans. Its ads may evoke rugged out-doorsmanship, but Levi hasn't promoted any particular life style to sell other products."

In this high-stakes new context, the cutting-edge ad agencies no longer sold companies on individual campaigns but on their ability to act as "brand stewards": identifying, articulating and protecting the corporate soul. Not surprisingly, this spelled good news for the U.S. advertising industry, which in 1994 saw a spending increase of 8.6 percent over the previous year. In one year, the ad industry went from a near crisis to another "best year yet." And that was only the beginning of triumphs to come. By 1997, corporate advertising, defined as "ads that position a corporation, its values, its personality and character" were up 18 percent from the year before.

With this wave of brand mania has come a new breed of businessman, one who will proudly inform you that Brand X is not a product but a way of life, an attitude, a set of values, a look, an idea. And it sounds really great - way better than that Brand X is a screwdriver, or a hamburger chain, or a pair of jeans, or even a very successful line of

running shoes. Nike, Phil Knight announced in the late eighties, is "a sports company"; its mission is not to sell shoes but to "enhance people's lives through sports and fitness" and to keep "the magic of sports alive." Company president-cum-sneaker-shaman Tom Clark explains that "the inspiration of sports allows us to rebirth ourselves constantly."

Reports of such "brand vision" epiphanies began surfacing from all corners. "Polaroid's problem," diagnosed the chairman of its advertising agency, John Hegarty, "was that they kept thinking of themselves as a camera. But the '[brand] vision' process taught us something: Polaroid is not a camera-it's a social lubricant." IBM isn't selling computers, its selling business "solutions." Swatch is not about watches, it is about the idea of time. At Diesel Jeans, owner Renzo Rosso told Paper magazine, "We don't sell a product; we sell a style of life. I think we have created a movement.... The Diesel concept is everything. It's the way to live, it's the way to wear, it's the way to do something." And as Body Shop founder Anita Roddick explained to me, her stores aren't about what they sell, they are the conveyers of a grand idea — a political philosophy about women, the environment and ethical business. "I just use the company that I surprisingly created as a success — it shouldn't have been like this, it wasn't meant to be like this —to stand on the products to shout out on these issues," Roddick says.

The famous late graphic designer Tibor Kalman summed up the shifting role of the brand this way: "The original notion of the brand was quality, but now brand is a stylistic badge of courage."

The idea of selling the courageous message of a brand, as opposed to a product, intoxicated these CEOs, providing as it did an opportunity for seemingly limitless expansion. After all, if a brand was not a product, it could be anything! And nobody embraced branding theory with more evangelical zeal than Richard Branson, whose Virgin Group has branded joint ventures in everything from music to bridal gowns to airlines to cola to financial services. Branson refers derisively to the "stilted Anglo-Saxon view of consumers," which holds that a name should be associated with a product like sneakers or soft drinks, and opts instead for "the Asian 'trick'" of the keiretsus (a Japanese term meaning a network of linked corporations). The idea, he explains, is to "build brands not around products but around reputation. The great Asian names imply quality, price and

innovation rather than a specific item. I call these 'attribute' brands: They do not relate directly to one product — such as a Mars bar or a Coca-Cola — but instead to a set of values."

Tommy Hilfiger, meanwhile, is less in the business of manufacturing clothes than he is in the business of signing his name. The company is run entirely through licensing agreements, with Hilfiger commissioning all its products from a group of other companies: Jockey International makes Hilfiger underwear, Pepe Jeans London makes Hilfiger jeans, Oxford Industries make Tommy shirts, and the Stride Rite Corporation makes its footwear. What does Tommy Hilfiger manufacture? Nothing at all.

So passé had products become in the age of lifestyle branding that by the late nineties, newer companies like Lush cosmetics and Old Navy clothing began playing with the idea of old-style commodities as a source of retro marketing imagery. The Lush chain serves up its face masks and moisturizers out of refrigerated stainless-steel bowls, spooned into plastic containers with grocery-store labels. Old Navy showcases its shrink-wrapped T-shirts and sweatshirts in deli-style chrome refrigerators, as if they were meat or cheese. When you are a pure, concept-driven brand, the aesthetics of raw product can prove as "authentic" as loft living.

And lest the branding business be dismissed as the playground of trendy consumer items such as sneakers, jeans and New Age beverages, think again. Caterpillar, best known for building tractors and busting unions, has barrelled into the branding business, launching the Cat accessories line: boots, backpacks, hats and anything else calling out for a post-industrial je ne sais quoi. Intel Corp., which makes computer parts no one sees and few understand, transformed its processors into a fetish brand with TV ads featuring line workers in funky metallic space suits dancing to "Shake Your Groove Thing." The Intel mascots proved so popular that the company has sold hundreds of thousands of bean-filled dolls modelled on the shimmery dancing technicians. Little wonder, then, that when asked about the company's decision to diversify its products, the senior vice president for sales and marketing, Paul S. Otellini, replied that Intel is "like Coke. One brand, many different products."

And if Caterpillar and Intel can brand, surely anyone can.

There is, in fact, a new strain in marketing theory that holds that even the lowliest natural resources, barely processed, can develop brand identities, thus giving way to hefty premium-price mark-ups. In an essay appropriately titled "How to Brand Sand," advertising executives Sam I. Hill, Jack McGrath and Sandeep Dayal team up to tell the corporate world that with the right marketing plan, nobody has to stay stuck in the stuff business. "Based on extensive research, we would argue that you can indeed brand not only sand, but also wheat, beef, brick, metals, concrete, chemicals, corn grits and an endless variety of commodities traditionally considered immune to the process."

Over the past six years, spooked by the near-death experience of Marlboro Friday, global corporations have leaped on the brand-wagon with what can only be described as a religious fervour. Never again would the corporate world stoop to praying at the altar of the commodity market. From now on they would worship only graven media images. Or to quote Tom Peters, the brand man himself: "Brand! Brand!! Brand!!! That's the message... for the late '90s and beyond."