

# CHAPTER 1

## THE NEW BRAND REALITY

Authenticity is the benchmark against which all brands are now judged.

John Grant, *The New Marketing Manifesto*

### INTRODUCTION

Would anyone care if your brand disappeared? As I write this, the *Morgan Motor Company* (a small UK-based car manufacturer) is about to celebrate its centenary. Morganeers around the world (from as far away as New Zealand) are shipping their 'Mogs' to the village of Malvern Link to take part in this once in a lifetime celebration of a brand many business consultants predicted wouldn't see out the end of the twentieth century. At the same time, the 'Big Three' (*Chrysler*, *Ford*, and *General Motors*) are receiving financial aid (much to the consternation of the American taxpayer) from the US government. *Chrysler* has filed for bankruptcy protection (with *General Motors* likely to follow) as part of a merger deal with *Fiat*. The contrast in fortunes between the two sets of companies is as obvious as the contrast between their respective resource bases, including budgets for marketing and research and development.

In its 100-year history, *Morgan* has released seven different models of car (and you can still buy cars that were effectively designed in the 1950s), whereas barely a year goes by without a new model from the US automakers. Over the last 100 years *Morgan* has done little in the way of marketing and only recently (2005–6) started formalizing their brand position with the strap line 'Driven at Heart'. In contrast, the US automakers have invested enormous sums into marketing

and design. While *Ford*, *Chrysler*, and *General Motors* were regularly exemplified in MBA classes, business books, and the *Harvard Business Review*, *Morgan* gained little attention from those seeking to identify best practice. In fact, at one time *Morgan* was pilloried as an example of ‘all that is wrong with British industry’ (Laban 2000). What is going on here?

Not everyone was oblivious to the enduring nature of the *Morgan* brand. Prior to his death Soichiro Honda predicted the car industry would eventually consist of just six manufacturers. He then paused and said ‘oh, and Morgan’ (Laban 2000, p. 59). Similar examples abound across the globe – remember Michael Dell’s comment about closing *Apple* and returning the money to long aggrieved stockholders? Which stock would you rather own now? Why do consumers pay exorbitant sums for collectable *Altoids* tins, proudly display their *Dyson* vacuum cleaners as taste markers, get tattooed with *Apple* or *Harley Davidson* logos, trek to the ends of the earth to pay homage to their favourite brands of beer, whisky, and/or wine, and so on? What is it about these brands that make them so attractive to large numbers of consumers while more conspicuous brands (such as *Microsoft*, *Ford*, and *Pepsi*) struggle? How is it that brands which profess to ‘hate marketing’, ‘do no market research’, or ‘make nothing for the customer’ endure, while those that prostrate themselves before customers struggle (or are at best regarded as functional necessities)? This book proposes consumers love these brands because they are authentic.

Wait a minute. Isn’t the notion of ‘authentic brands’ contradictory? Doesn’t the very act of branding render a person or object inauthentic? How can one have authenticity when one is tainted by crass commercial motives? This book identifies how a large number of brands manage to simultaneously achieve market success while denying any interest in marketing, branding, or commercial motivations. The people running these brands paint themselves as perpetual underdogs, fighting against the blandness produced by modern marketers and the standardization of modern life. Rather than investing heavily in marketing, these brands focus on getting on with the job of making great products, seeking perfection, solving difficult problems, or offering great service. In doing so, this book offers an alternative to standard branding advice. I urge marketers to stop revelling in their expertise, stop playing safe, and reject consistency of message. Instead, marketers need to imbue their brands with a warts and all humanity and use the tools at their disposal to tell, and

help others tell, stories. As Global Managing Director for *Jack Daniel's*, Gus Griffin states:

Brands can have multiple storytellers. In our advertising, the brand is the storyteller, however, the most powerful storyteller over the history of the brand has been pop culture. The stories told by pop culture have very effectively communicated the independence and masculinity values of the brand, while much of our advertising has communicated the values of authenticity and integrity. (Drummond, 2008, pp. 20–1)

Just as *Jack Daniel's* has gained iconic status by becoming part of popular culture, so too other brands have prospered from allowing consumers and society to become co-authors in their meaning. *Adidas's* rebirth in the 1980s provides a compelling example. Largely viewed as a soccer (football to non-Americans) brand, the adoption of the three stripes by hip hop act Run DMC breathed new life into the ailing icon. Touring North America, the band noticed that many of their fans were wearing *Adidas* gear to their concerts. The band invited some *Adidas* marketing executives to their Madison Square Garden concert and during the performance of their song 'My Adidas' (which is not actually a homage to the brand but an attempt to counter the view at the time that street culture was synonymous with gang violence) they encouraged fans to wave their *Adidas* shoes in the air. The marketing team was smart enough to realize what was happening and promptly signed a sponsorship deal with the band (before they had their first breakthrough worldwide-smash with 'Walk this way'). The brand was reborn – from preppy lifestyle brand in the 1970s to edgy street wear in the 1980s and beyond. By allowing the brand's story to be shaped by a hip hop group, their fans, and the street sub-culture, *Adidas's* ailing fortunes were reversed, at relatively little cost (Courtney 2008).

Still not convinced? If examples don't suffice hopefully consumer research will. A recent study conducted by my colleagues identified that brand authenticity is a better predictor of purchase intentions than brand love, trust, and credibility (Napoli et al. forthcoming). Therefore, more authentic brands have higher levels of equity in their category than other comparable brands. Other research supports these findings, with a brand authenticity index identifying that authentic brands are more likely to attract a higher share of big spending consumers

and gain word-of-mouth support (Principals-Synovate 2008). That is, authentic brands gain higher margins at lower promotional cost (it is not unusual for many of the brands covered here to do little or no advertising).

## WHAT IS WRONG WITH BRANDS TODAY?

Why are marketers now talking about authenticity and 'authentic brand strategies'? After all brands used to be highly respected institutions – the darlings of the share market, talented employees, business schools, and customers. Consumers trusted brands (particularly big brands) because they consistently delivered superior benefits over time. Although brands were obviously commercial objects, they operated above politics and personal prejudice (after all brands that discriminate on racial or other grounds give away potential profits), and were seen as benevolent actors in the community because they provided employment with above-market conditions. Globally, brands remained above the fray – the Communist Bloc may have expressed a desire to destroy the capitalist West, but their people desired western brands. Brands such as *Coca Cola* were seen as iconic representations of freedom among oppressed peoples around the world (Pendergast 2000). Western brands were embraced in new developing nations because they provided people with a conspicuous sign of success. We even began to identify the global brand as the ideal business model (Levitt 1983).

Currently, large brands are not thought of so positively. Large brands such as *Starbucks*, *McDonald's*, and *Wal-Mart* face a community-led backlash under the banner of 'not in my neighbourhood' (Holt 2002; Thompson et al. 2006). While in the past the arrival of such brands was often seen as a vote of confidence in the community, many large brands are now viewed in parasitical terms – big brands exploit community members, shut down local businesses, offer poor paying jobs, and when times get tough, pull out with no regard for the wider social impact of their decisions. The very disinterest in local affairs and political issues exhibited by brands in the past is now viewed as a fault rather than a virtue. No longer can brands appear to be above the fray, or separate from issues of national politics. For example, while *Coca Cola* was once a symbol of freedom around the world, in some Middle Eastern countries it is now seen as a symbol of oppression, with the

locally produced *Mecca Cola* representing (in the eyes of the brand's founders) 'a little gesture against US imperialism and foreign policy' (Henley and Vasagar 2003).

No longer garnering the respect they once did, brands are blamed for a range of societal ills including environmental degradation, poverty, war, visual pollution, and overconsumption. Naomi Klein's *No Logo* (2000) began a whole new genre in anti-brand discourse. Klein compared the espoused statements of large global brands with their actions, and found them wanting. *Nike* for example, failed to honour its stress on personal excellence and achievement when it used Asian contractors that engaged in exploitative work practices. *Starbucks'* emphasis on creating an authentic communal coffee house was contrasted with the perceived decline in local coffee houses resulting from the brand's dominance. The rebranding of *British Petroleum* (BP) to 'Beyond Petroleum' was seen as a cynical exercise in greenwashing given how little the company invested or made from sustainable energy sources. In short, brands were inauthentic – their aspirational claims were little more than cynical impression management.

I argue that the traditional branding model is partly to blame. The traditional 'mind-share' branding model with its focus on individual rational consumers fails to account for the sociocultural context within which consumers draw their identity (a point illustrated in Chapter 2 with the opening two examples) (Holt 2004). As a result, too much market research focuses on understanding whether consumers are aware of brands, or understand the marketer-driven meaning of the brand. However, research reveals that consumers imbue brands with their own meaning, which may be the opposite of what marketers intended. Such meanings are usually reflective of consumers' identity goals, which themselves reflect wider sociocultural myths (Beverland and Farrelly, forthcoming; Thompson 1997). There is little point in telling consumers that 'brand meaning resides in the mind of the consumer' when marketers pay so little regard to the role such brands play in the consumer's life world. Brand authenticity is actually derived from an ongoing interaction between the firm, its stakeholders, and society, as identified in Figure 1.1. Authenticity is not just another brand attribute to be explicitly used by marketers to differentiate their offer from others. This book offers an alternative approach to branding that will hopefully return brands (and branding) to a more illustrious status.

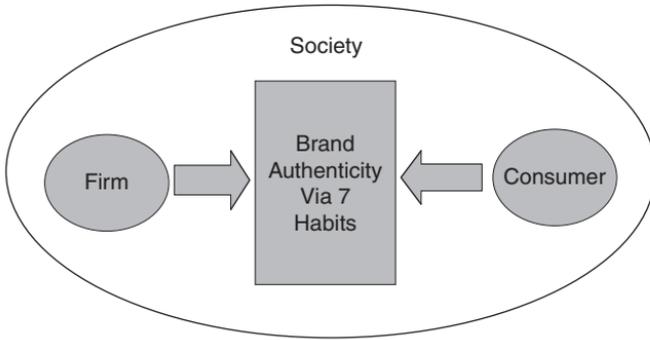


FIGURE 1.1 Building brand authenticity

## BOOK STRUCTURE

This book consists of three parts. The first part (Chapter 2) grounds the rest of the book by examining the changing nature of authenticity, why and how consumers attribute authenticity to brands, and why marketers should care about building authenticity. The second part (Chapters 3–9) details the seven habits that increase a brand's authenticity. The final part (Chapter 10) provides a guide to action for brand managers, identifying eight of practices needed for enhancing a brand's authenticity. Examples from a wide range of brands and nations will be used throughout.

Chapter 2 discusses the nature of authenticity. Debates have raged for centuries over the nature and meaning of authenticity, and where authenticity can be found. Historically authenticity was seen as something objective. That is, objects, people, places etc. either were authentic or not. Under this view, authenticity was typically something universal and dictated to people by experts, laws, or institutions. However, research reveals that people find authenticity in a range of things including mass-produced items, everyday objects, reproductions, contrived or staged events, and even the obviously fake. As a result, in the postmodern era, what is authentic is highly subjective. For marketers, understanding how and why consumers attribute authenticity to some objects and not others is of paramount importance. Chapter 2 focuses on an emerging body of research examining consumer attributions of authenticity, marketer attempts to produce authenticity, and the benefits of building brand authenticity.

Part II is primarily based upon the author's decade-long research project examining the nature of enduring brands (see 'Data and All That'). Using primary and secondary research data, I identify seven 'habits' of authentic brands. The term 'habit' is used because it focuses on actions that are second nature to the people behind the brands covered in the book. The story of *Zippo Lighters* provides an early *entrée* into these habits (see *Zippo – Still the Best Lighter Money can Buy*). Marketers are good at espousing values yet often fail to live up to them, resulting in negative consumer experiences and increased cynicism towards marketer claims. The seven habits are:

1. Story telling
2. Appearing as artisanal amateurs
3. Sticking to your roots
4. Loving the doing
5. Market immersion
6. Being at one with community
7. Indoctrinating staff into the brand cult

Chapter 3 focuses on the role of stories in branding. Typically, marketers tell extremely simple stories that focus on functional, emotional, or experiential benefits. In contrast to the great stories of humanity, brand stories are usually devoid of conflict, flaws, and intrigue. And, all-knowing marketers solely author them. In contrast, authenticity is built through rich, multilayered stories featuring brand heroes that struggle, stumble, fail, and triumph against impossible odds. These stories are replete with rich characters, hilarious incidences, tragedy, stupidity, and passion. At their core, authentic brand stories feature conflict. Finally, authentic brand stories have several authors – marketers, consumers, and society (see Figure 1.1).

Chapter 4 examines the founders and people behind the brands. Rather than revelling in their professionalism – their marketing expertise, quality investments, strategic documents, and other standard business practices – these people play up their amateurish qualities (lack of commercial motivation, lack of training, and lack of planning). Such images lend the brand a sense of authenticity because they downplay the very real commercial practices and motivations in favour of more personal, human qualities. Paradoxically, these brands gain the outcomes of professionalism, including high brand awareness, loyalty, and equity. These brands are seen as standard setters in their field

and regularly innovative while appearing to be stuck in the past or benefactors of lucky breaks. I go behind the scenes of these brands to understand how one can appear the amateur while remaining the consummate professional.

Chapter 5 identifies how authentic brands remain committed to their roots. With research identifying brands losing equity when they stray from their roots – whether it is core values, founding activities, or subculture, I identify how authentic brands remain relevant while reaffirming traditions. Authentic brands reinterpret their roots for the times, adding new stories and layers of richness to their histories. When such brands fail, returning to the brand's roots becomes crucial. When combined with the material in Chapters 6 and 7, I identify how brands build authenticity through balancing tradition and innovation.

Chapter 6 examines how brands build authenticity by expressing a love of doing – that passion for craft and product/service. The people in charge of and behind authentic brands love their work. They are skilled craftspeople that revel in perfecting their skills and products/services. Others are enthusiasts for their product or focal activity. Therefore, the brand gains authenticity because employees have direct experience with the customer's world. Consumers find this enthusiasm infectious because it reflects their own level of passion for the brand and such love lies in direct contrast to the disinterest they see in employees of other brands. Brand authenticity is therefore reinforced through stories and messages that communicate involvement in, and love of, production.

Chapter 7 examines a further paradox surrounding authentic brands – how do their people produce things consumers love while rejecting any role for customer influence in innovation. I identify how customer-driven innovations have seen authentic brands stumble, while new releases seemingly derived from creative intuition score success. I identify this as a process of market immersion. Market immersion involves actively living in the life-world of the consumer – one effectively absorbs ideas rather than asks consumers directly for new insights (that often they can't give). As a result, new products and services released by authentic brands result from being in the market, rather than being of the market. When combined with Chapters 5 and 6 market immersion results in a stream of seemingly timeless innovations that enable the brand to espouse distance from the market, creative genius, love of tradition and craft, and relevance.

Authentic brands are part of the cultural landscape – whether at the national, regional, industry, or subcultural level. Chapter 8 identifies how brands gain authenticity by contributing to (as opposed to exploiting) their relevant communities. By becoming one with the community, brands build sincerity and communal bonds, which provide critical points of difference against larger, more moneyed rivals. In contrast to other brands that try to exploit communities when they are cool, authentic brands play a core role in founding subcultures and have often been a genuine partner with community members' struggle for legitimacy. Rather than engage in overt commercial activities such as sponsorship, authentic brands develop sincere ways to 'give back' to the community supporting them.

The final chapter of Part II focuses on the cult-like nature of leadership behind authentic brands. Outsiders often wonder why staff put up with overbearing, demanding, and seemingly ungrateful leaders. Behind the scenes however, leaders of authentic brands create an environment in which talent can flourish. Critical to this creative environment is the early management of poor performance. Such an environment reinforces the other six habits and creates an image of passionate people working hard to achieve the impossible. Staff passion for the brand is nurtured in other ways including careful selection, looking after their welfare, telling their stories in brand communications, encouraging creativity and risk taking, induction programmes, and through leading by example.

Part III identifies practical implications arising from the seven habits. To build brand authenticity eight practical strategies or mindsets are required. First, marketers should focus on being authentic through their actions rather than stated values. Second, managers need to embrace the tension at the heart of authentic brands by learning to manage paradox and conflict. Third, managers should stress innovation and commitment to timeless elegance in product design or service standards. Fourth, brand managers, founders, and staff should immerse themselves in the consumers' world. Fifth, managers should be wary of short-term fashions or gimmicks. Sixth, firms should retain all their brand archives and employ brand historians for branding purposes. Seventh, brand managers should allow consumers to see the inner workings of the firm and to take ownership of brand stories. Finally, brand managers need to remain open and scrupulously honest in their actions, including dealing with failures and moral lapses, as well as giving credit where it is due.

## CONCLUSION

Building brand authenticity is essential to increasing brand value. However, doing so requires a different approach to brand building – in fact one has to try to build brand value while appearing not to be commercially motivated and preferably not use words like ‘brand’. Building authenticity requires adopting seven habits and eight strategies. Although these will be explored in detail in Chapters 3–9, the next chapter will examine authenticity in more detail. Just what do I mean by authenticity? How do consumers attribute authenticity to brands? And, what cues help and hinder this process? Finally, assuming brand managers care about authenticity, what can they do about it?

*Side Bar:*

**ZIPPO – STILL THE BEST LIGHTER MONEY CAN BUY**

*Zippo* lighters have all the hallmarks of authenticity (over 400 million have been made). George Blaisdell founded the firm in the 1930s after he saw a local businessman using an awkward looking Austrian-designed lighter. Asked why he chose that lighter, the businessman replied, ‘because it works’ (Meabon 2003, p. 11). This reply struck George as imminently sensible and he founded *Zippo* with the aim of producing a one-handed lighter than was reliable and windproof. Released in 1933, the first lighter reflected George’s motto that has made the company famous, ‘Build your product with integrity, stand behind it 100 percent, and success will follow’ (Meabon 2003, p. 7). These values formed the basis of the brand’s famous guarantee – ‘it works, or we fix it for free’ – a practice *Zippo* continues to this day. The *Zippo* guarantee has one other advantage. When consumers return lighters for repair, this information can be used in new product innovations and improvements (which is why George spent more time in the repair workshop than any other part of the business).

Like other authentic brands, *Zippo* lighters have played their part in US history, being used (and prized) by US troops in World War II, Korea, Vietnam, and both Gulf Wars (Figure 1.2). Special edition lighters have been developed, drawing on the designs of troops who engraved their lighters. Consistent with other authentic brands, *Zippo* always looked after its employees, viewing them as the firm’s biggest asset. In 1946 when a serious problem with lighter flints was discovered,



FIGURE 1.2 *Zippo* has long been a US soldier's most desired possession – a relationship honoured in this design

George ceased production and shipping immediately in order to fix the problem. During this time he continued to pay his employees even though no revenue was coming in. The factory remains located in Bradford, Pennsylvania (handprints of Blaisdell family members are set in concrete at the firm's main office to remind visitors that the family still stands behind the brand), where the brand plays a major role in community life. Fans (who may be members of the *Zippo Click Club*) pay homage to their beloved lighters every year when they visit the Zippo Visitors Center in thousands.

*Side Bar:*

**DATA AND ALL THAT**

Like many ideas, and some of the brands covered herein, I came upon the notion of authentic brands by accident. In 2002 I undertook a series of case studies on iconic French wineries in Bordeaux, Burgundy, and Champagne. Initially I was interested in understanding luxury brands. However, what struck me at each of these wineries was how sincere and passionate the people I was interviewing were. However, sincerity and passion didn't quite capture what I was seeing in my data. A year later I noticed a call for papers on authenticity in the *Journal of Management Studies*. Immediately I knew that I'd found the term

I was looking for. Since that time, I have conducted numerous studies on the consumption and production of authenticity (several of these are listed in the Bibliography), supervised several research theses on the topic, interviewed over 100 consumers, conducted ethnographic research with food, wine, motoring and toy consumers, visited factories, been an audience member in multiple sales presentations, and interviewed over 100 experts, designers, owners, and staff. As well, my research for my doctorate (conducted throughout 1997–2000) was also reviewed as it was judged relevant to my emerging thesis on authenticity.

So how did I judge a brand authentic? Initially it was firm employees who stated the importance of authenticity to their brand's identity. I then identified a number of attributes of brand authenticity (early versions of those covered in Chapters 3–9) that I then explored further through reading published histories on each brand, and reviewing advertising and marketing materials. I would then triangulate these insights with consumers, experts, and further data (such as ethnographic research, personal experience, fan sites, or club magazines). As my initial ideas started to unfold, I became more specific in my research, picking out brands and consumption contexts that I reasonably thought would be judged authentic (or selecting those which I thought wouldn't be). Throughout this process, I read streams of research on authenticity, presented my ideas to academics and practitioners through informal discussions and formal presentations at conferences and submitted papers for review to leading international journals (which often forced me to rethink my initial views). Finally, along with colleagues, I developed a scale to measure a brand's authenticity to help validate the theory developed in this book.