

Advance praise for **Brand Society**

'This is a stupendous piece of work. It's both academic and pragmatic. It ranges from forbidding high theory to easy-reading case studies. It's great. Without question, it'll go down as a landmark study of brands and branding.'

Stephen Brown, Professor of Marketing Research, University of Ulster

'Max Weber argued that modernity was a process of disenchantment; on the contrary, argues Kornberger, in this evocative and important study: modernity is a realm of continuous re-enchantment. At the centre of the enchanted webs spun in modernity is the brand – and the *Brand Society* – explored through a rich collage of philosophy and social science, a virtual anthropology of the organized seduction of our being, as Jonathan Richman said, in love with the modern world.'

Stewart Clegg, Professor and Research Director of CMOS, Faculty of Business, University of Technology, Sydney

'Rethinking brands means rethinking marketing, reconsidering the implications of organizational culture and organizational identity, displacing the usual assumptions about the relationship between production and consumption – in short, turning many of your major preconceptions about economic life and society inside out. Kornberger offers a glorious, thought-provoking ride – from branding a city in Scotland to quotations from esoteric philosophers to Cubism and Google's CEO Eric Schmidt. Buckle up and enjoy the ride.'

Joanne Martin, Fred H. Merrill Professor of Organizational Behavior, Emerita, Graduate School of Business, Stanford University

'This book provides fascinating insight in the tremendous value of well-managed brand transformation programs. It leaves no stone unturned and covers in a very balanced way the diversity of both the internal cultural aspects and the external brand community building. Great food for innovative brand thinking and for concrete brand activation!'

Ruud Polet, Global Brand Marketing Manager, ING

'In *Brand Society* Martin Kornberger takes you on a compelling ride through the new landscape of branding. From the clothes we wear, to the companies we work for and the society we live in – this exciting books argues the importance of branding and why we should care. From evocative cases and bold conceptual arguments, Kornberger makes the point that consumption and production of brands are intertwined

and shows how this transforms the way brands are being consumed and produced. This book leaves food for thought for both brand aficionados and those with a stake in creating or analyzing brands.'

Majken Schultz, Professor, Copenhagen Business School, and co-author of *Taking Brand Initiative*

Brand Society

Brands are a *fait accompli*: they represent a mountain range of evidence in search of a theory. They are much exploited, but little explored. In this book, Martin Kornberger sets out to rectify the ratio between exploiting and exploring through sketching out a theory of the *Brand Society*. Most attempts to explain the role of brands focus on brands either as marketing and management tools (business perspective) or as symptoms of consumerism (sociological perspective). *Brand Society* combines these perspectives to show how brands have the power to transform both the organizations that develop them and the lifestyles of the individuals who consume them. This holistic approach shows how brands function as a medium between producers and consumers in a way that is rapidly transforming our economy and society. That's the bottom line of the *Brand Society*: brands are a new way of organizing production *and* managing consumption. Using an array of practical case studies from a diverse set of organizations, this book provides a fascinating account of the way in which brands influence the lives of individuals and the organizations they work in.

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Brand Society

How Brands Transform Management
and Lifestyle

Martin Kornberger



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For Jessica

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Preface

Proposition

Brands are a *fait accompli*. They are much exploited, but little explored. This book is about rectifying the ratio between exploiting and exploring through sketching out a theory of the brand society.

Why the brand society? On the most basic level, brands are a phenomenon that links and reorganizes the two fundamental spheres of production and consumption, which have been separated since the Industrial Revolution. Brands fundamentally transform how we manage an organization's identity, how we think of its culture and how we organize innovation. Simultaneously, brands transform the politics, the ethics and the aesthetics of consumption. Brands traverse society on the diagonal: following them means moving sideways, from production to consumption, from management to lifestyle, and back. Following this movement, the book turns into a treasure-hunt map rather than a surveyor's chart that measures a well-known, established territory.

Where to start? The good thing is that everybody experiences brands as part of their lives. That's also the problem: the things that are closest to us are often the most mysterious and unknown. When I started thinking about brands, I thought of products. Then, I tried to see them as images, as packaging, as a way of dressing things up that is certainly costly, maybe manipulative, but ultimately inconsequential because it's superficial. It was a thought by Mary Douglas and Baron Isherwood that, for me, suddenly turned brands into something else, something more: 'Forget that commodities are good for eating, clothing, and shelter; forget their usefulness and try instead the idea that commodities are good for thinking; treat them as a non-verbal medium for the human creative faculty.'¹

How can we understand brands as a non-verbal medium for thinking? How does a brand's combination of magic and logic work? It can be expressed

¹ Douglas and Isherwood, 1979/2005: 40–41.

as a formula: brand = functionality + meaning. 3M is innovation (not Scotch tape); Disney is entertainment (not just movies); Lexus is luxury (not just a means of transportation); Nike is performance (not just shoes); and so on. How right Marx was when he said that a commodity appears at first sight to be a trivial thing, but looked at again, 'it is a very strange thing, abounding in metaphysical subtleties and theological niceties'.²

But brands are more than a means to fight our 'status anxiety' with an ever-increasing number of status symbols.³ They are props and scripts that help us to perform our identities. In fact, brands are ready-made identities. They are so mashed up with our social world that they have become a powerful life-shaping force. Here's our suspicion: with the concept of lifestyle, brands have become the dominant blueprint that fundamentally shapes the way we live our lives. Lifestyles are patterns that shape our taste, behaviours, action, preferences and beliefs; they are like a mosaic made up of individual brands.

But brands don't just transform society into lifestyle tribes. We shape brands as much as they shape us. In fact, without us as their silent partners in crime, they would not exist at all. When *Time Magazine* announced its Person of the Year in 2006, it was *You – You* because you started to generate content, watched each other's movies on YouTube, viewed each other's photos on Flickr, programmed your own personality in Second Life, became an instant expert on Wikipedia and ran your own retail shop on eBay.

What was *Time Magazine's* excitement about? For the first time, technology enabled people to effectively challenge and circumvent the privileges of organizations as producers of content. Passive consumers turned into co-producer-activists. In this new world where everybody can up- and download their fifteen minutes of fame, social organization centres around interaction between individuals and businesses: markets are conversations in which interaction drives transaction.

Brands are the interface for this rapidly expanding conversation between consumers and producers. The result is a radical new configuration of production and consumption: the monopoly of organization is being subverted by the creativity of the networked community.

But an interface is not simply a mechanism for connecting two separate entities. Rather, it changes the way both sides operate. So do brands; they have a fundamental impact on the way organizations are managed. Brands

² Marx, 1867/1976: 163; of course, Marx saw the reason for the fetishism of the commodity as result of the social character of labour, not consumption.

³ De Botton, 2004.

function as the new organizing principle for business; they enable the conceptualization and design of business from the outside in. Rather than following the old model of closed, inward-looking and technology-centred companies, brand-driven organizations maximize their surface area in order to have maximum contact with their environments. That might make them superficial, but it definitely makes them more engaging (and entertaining).

In short, brands become an organization's lifeline to the external environment. As such, they fundamentally challenge how we think about the identity of organizations, their culture and their capacity to innovate. Branding becomes a new management framework that turns old wisdoms upside down by conceptualizing the organization from the outside in.

That's the bottom line of the brand society: brands are a new way of organizing production *and* managing consumption. As the dominant story goes, we moved from a society of producers to a consumer society (roughly beginning in the 1920s and 1930s). The shift, so we're told, occurred when society changed from a focus on production towards a focus on consumption. This thesis divides the world into production and consumption.

What we suspect, however is that the transformation of the past from producer to consumer society has fundamentally changed the nature of both production and consumption. Our key point is that brands turn consumption into lifestyles that can invent and subvert the order of things. At the same time, brands become a mechanism for managing organizations. In this scenario, the brand becomes the central axis for organizing production and managing meaning. The brand is the interface between production and consumption that transforms the economy and society.

Design

Brands are a fact looking for a theory. The phenomenon has been ignored by management (which has been too focused on the organization of production), marketing (which has been too focused on serving the powerful and institutionalizing itself as part of the brand society), economics (theoretically, in a perfect market, brands should not happen, period) and sociology (which has been too absorbed with the consumer-society thesis).

This book is designed like three overlapping concentric circles that feed off these disciplines. Part I introduces the topic (Chapter 1), makes sense of the concept of brands (Chapter 2) and offers some glimpses into the black box of brand-making (Chapter 3).

Part II explores brands' impact on how we manage and organize. We argue that organizational identity, one of the key concepts in current management theory, is managed and enacted through brands (Chapter 4). We suggest that brands reframe organizational culture as a linking mechanism between internal cultures and external brand communities, engaging both in the co-creation of value (Chapter 5). Finally, we take a look at how innovation that is organized around brand communities moves from closed to open (Chapter 6). Branding fundamentally changes how we think and manage identity, culture and innovation. Put simply, branding is the catalyst for these seismic shifts in the organization of production.

The third part of the book explores how brands transform consumption. The central concept is that of lifestyle. Through lifestyles, brands become hegemonic engines of plurality. Brands thrive on difference and diversity, not on conformity and control. This paradox delineates the space in which we will discuss the politics (Chapter 7), ethics (Chapter 8) and aesthetics (Chapter 9) of brands.

Depending on which side of the fence you stand on, you will see in brands a symptom of the ongoing colonization of our lives, an extension of Empire or the subsuming of human creativity under capital (that is, exploitation). On the other side, you can see brands as the avant-garde of a participatory democracy in which people vote with their dollars. Brands span both sides. As such, brands need to be analysed as a new set of practices, as a new technique of managing, as a new form of what Foucault has described as 'governmentality'. Such new forms are neither good nor evil *per se*, but they may well be dangerous. What is needed is not a value judgement about brands but an analytical apparatus, a theoretical language that enables us to understand the magnitude and the intensity of the transformation brands bring about.

Modus operandi

Theories make bad brands: they're abstract; they lack real-world relevance and hence are of little use. No wonder most books fulfil the ironic function that Daniel Dennett ascribes to them – of being just a library's tool for creating another library.⁴ The *zeitgeist* asks for practical theories and real-world solutions.

⁴ Quoted in Taleb, 2007: 290.

I can't help but imagine the ideal book as resembling a plumber's van, filled with tools and instructions and with checklists on the passenger seat. But could a checklist drawn up in Sydney be relevant for a problem experienced in Stockholm? Could a solution to a problem in Las Vegas do the same trick in London? And is a good idea in Rio still a good idea in Rome?

In this book, I'd like to propose the opposite. I'd like to advocate abstract thinking, and to make the claim that abstract thinking helps us to understand much better what is happening. And I would assert that this understanding is a better springboard for action than ostensibly practical tips and tricks.

Ironically, it was Hegel who set out to demonstrate that abstract thinking might be more practical than the advocates of the 'real world' want us to believe. In his thought-provoking short essay 'Who Thinks Abstractly?', he gives the example of the execution of a murderer. The 'uneducated', practical mob sees nothing but the murderer in the person being executed. But the educated few try to trace the criminal's mind and the reason for his deeds in his biography, education or bad family relationships that made him 'embittered against the social order – a first reaction to this that in effect expelled him and henceforth did not make it possible for him to preserve himself except through crime'.⁵

It is refreshing to see that abstract thinking was as much *en vogue* in 1808 as now, some 200 years later. Hegel turns the relation between abstract and practical on its head: for him, abstract thinking is what common people do when they describe a thing or person with one word – the murderer is a murderer and nothing else. Doing so means abstracting all the qualities of the murderer and forgetting them. The theorist, on the other hand, is interested in those qualities and wants to know more about them; the theorist does not take the label murderer as an explanation but rather as something that needs explaining. Their thinking is more empirical – more practical. Abstract thinking means 'to see nothing in the murderer except the abstract fact that he is a murderer, and to annul all other human essence in him with this simple quality'.⁶ So who thinks abstract? Probably those managers who do MBAs and uncritically believe they have discovered 'the one best way to manage', as preached by some management guru; those managers who manage by benchmarks and best practice derived from others; those managers who want to become good leaders by being followers of some idealized management hero.

⁵ Hegel, 1808/1966: 113.

⁶ Hegel, 1808/1966: 113.

The ethnographer who shadows a manager, the anthropologist who is a fly on the wall in business meetings, the sociologist who looks at cultural influences and the psychologist who studies personal relations are trying to find the peculiar, the special, the different in what they study. They turn over things and acknowledge that truth is a function of one's perspectival. What's called practical and relevant is often ill-equipped to see that what we can know is a function on the perspective we take. It prefers the certainty of the abstract over the probability of the concrete.

To put it another way the difference is not that researchers get fired up about theories and ideas and managers don't. Managers are exposed to bad theories and ideas all the time – think Total Quality Management (TQM), Business Process Reengineering (BPR) or the Balanced Scorecard. These are all abstract ideas in Hegel's sense, and research has shown that they are far less useful than their originators claim.⁷ The manager who reads these books and takes their 'tools' seriously is like Don Quixote reading all those novels about knights until he started to read the world as a subtext to his books. How many managers read Jack Welch's chivalry stories and then attack some kind of windmill? What Edward Said said of *Don Quixote* might well be true for most business books: 'It seems a common human failing to prefer the schematic authority of a text to the disorientations of direct encounters with the human.'⁸

In this book, we will explore the human, the grey and the messy. We cannot offer advice on what you should do – such advice would be misguided. What we will do is help you to understand better what is going on in our brand society, and what its consequences are. We will not focus on the spectacle that brands offer but on the underlying structures that make them powerful in the first place. Cocteau once said: 'I look at the scaffold for the king from the carpenter's perspective: The structure of the scaffold is of more interest than the actual execution.'⁹ Similarly, we will not chase the sensational but will work our way through the empirical.

⁷ A good example is David Cooper's and Mahmoud Ezzamel's work on the Balanced Scorecard (2008).

⁸ Said, 1978/2003: 93.

⁹ Cocteau, 1958/1988: 99 (my translation).

Acknowledgements

Every book is a *mixtum compositum* of many voices. Writing means cultivating those voices and civilizing their relations to each other. There are three ongoing conversations in my life that I'd like to hold responsible for this book.

First, and most important, is the branding agency PLAY, which I co-founded in 2003 and co-directed until 2008 with two partners, Johannes Weissenbaeck and Simon Horauf. The company name expressed the idea that we wanted to play *with* the rules of the game, not *within* them. To launch our company and build networks, we created Sydney Esquisse, Australia's first and finest festival for art and design. The festival was an adrenalin shot into the veins of Sydney's creative body. It put me in touch with all sorts of creatives, from publishing to graphic, product, fashion and web design. As our first commercial job, we took on the editorship of (*inside*) *Australian Design Review*. To make money, we registered the domain name PLAY Consulting and positioned ourselves as a brand consultancy. To reflect our diverse backgrounds in management, marketing, strategic planning and design, we adopted Majken Schultz and Mary Jo Hatch's definition of branding as alignment of an organization's identity, culture and communication.

But we learnt quickly that markets don't work like academic models, so we were pretty unsuccessful in selling our complex message. To give credit to the model, we were also inexperienced, and the suits we wore wore us. Through a form of trial and error that would not do justice to the finesse of strategy models in textbooks, we evolved into one of the first brand experience agencies.

For one of our first major clients, Adobe, we developed a user-generated design competition that communicated the brand behind the products rather than the technology in the products. We were comfortable in this new niche, and added clients such as ISS, MINI, Jaguar, Subaru, GlaxoSmithKline, Vodafone, Kellogg's, the Sydney Opera House and others to our portfolio. We also focused on the field of professional-services firms, working with

PricewaterhouseCoopers and Australia's leading law firm, Freehills, among others.

During those five years, PLAY grew from the part-time hobby of three recent arrivals into one of Australia's most acclaimed brand experience agencies. In fact, in 2008, PLAY was named Australia's Brand Experience Agency of the Year. When I sold my third of the company in mid 2008, I had spent hours on end with (potential) clients trying to understand their concerns about their brand and how we could help them; writing proposals and putting together presentations for pitches; and thinking about how a particular brand could communicate its meaning. This apprenticeship has provided me with an intimate understanding of both sides of the fence: whereas a company such as MINI was pushing for consumer-oriented and experience-based branding, professional services firms such as PricewaterhouseCoopers used branding internally to re-think and manage their organizations. I started to experience the brand as a central axis that connected the two spheres of production and consumption. My hunch was that this would transform society at large, too – *et voilà*, the basic idea of this book was born.

The second influence that is to blame for what follows is my academic background. I did my undergraduate degree and my PhD in Philosophy at the University of Vienna. The university was founded in 1365, which makes it the oldest university in the German-speaking world. While it might be a pretty decent place to study philosophy, this kind of education does not set anyone up to run a branding agency (just ask Simon or Johannes). It does sharpen your sensibility, though, and trains you to question what is being taken for granted (something clients don't spend much money on). It helped me to see meetings as focus groups, proposals as survey instruments, pitch presentations as participant observation, and PLAY as a whole as an action research project. It also taught me that most of the work of an agency is focused on managing its *performance* – not in the sense of revenue or profits, but in the sense of acting out a script that convinces clients and employees alike that things are progressing according to plan. More of that later.

Finally, I have used my contacts and the friends I made on the way to collect stories and conduct interviews. I've spoken with large global advertising agencies, such as DDB, and small yet globally celebrated creative niche players, such as the Dutch collective Kesselskramer. I've discussed brands with corporates such as Deloitte and ING, who spend hundreds of millions of dollars annually to build their brands, and I have interviewed public organizations such as the City of Edinburgh about how they use the brand to manage their identity. I quote these practitioners extensively not because I think

they know more or know better, but because they are like native theorists, with their own explanations for what is happening.

I have to thank the following people for their time, their patience, their support and curiosity: first of all, Simon and Johannes for sharing a company and their friendship; Majken Schultz and Mary Jo Hatch for sparking my academic interest in brands; Paula Parish, my publisher at Cambridge University Press, for believing in my project; my interviewees, including Ailsa Falconer, Christine Shewry, Cindy Carpenter, Danielle Bond, David Redhill, Gary Hardwick, Lesley Martin, Matt Eastwood, Matthijs de Jongh, Paul Hugh-Jones and Ruud Polet, for taking time out of their busy schedules to talk to me about their ideas on brands; Deirdre Livolsi for making initial sense of my manuscript; Cindy Carpenter, Chris Carter and Stewart Clegg for a torturous line-by-line reading of it; Joanne Martin for detailed comments on Chapter 5; and Julien Cayla and Nick Ellis for getting halfway through it.

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Then there are many people to whom I could not talk but whose ideas I absorbed through their books. Branding is a new and therefore fragmented field in which the marketing talk of consultants and more serious academic-speak can co-exist on the same shelf – an amazing mix of highly critical books and others that quote Plato on Pepsi and Nietzsche on Nike.¹⁰

So where does all this leave us? Like any text, this book is a cross-section, a frozen moment in those conversations, a 'tissue of citations, resulting from

¹⁰ Braun, 2004.

the thousand sources of culture’, as Roland Barthes said. ‘If he [the author] wants to express himself, at least he should know that the internal “thing” he claims to “translate” is itself only a ready-made dictionary whose words can be explained.’¹¹

I’d happily subscribe to this idea. After all, a ready-made thing is not produced nor created but chosen off the shelf, and what metaphor could be more apposite for a book on branding?

¹¹ Barthes, 1967.

Part I

Brands and branding

1 Introduction: the brand society

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Brand cosmogony

The problem with theories is their inherent lack of evidence. In more than 100 years of social science research, the list of laws discovered is embarrassingly short, and that's a polite way of putting it. More critically minded spirits would claim that not a single law has been revealed. Brands pose the opposite problem: there is an indisputable amount of evidence without theory.¹ Think ING. Think iPod. Think Virgin. Think Coke. Think Google.

The problem is, to paraphrase Nassim Taleb, that the minds of the gods cannot be read by witnessing their deeds.² The generator of reality is different from this reality itself. What we see on shelves in supermarkets as brands is not what went into the making of them. Similarly, truth does not reside somehow *inside* things but in knowledge we harbour *about* those things. This begs some questions: How do we know about brands? How do we think of brands? What does our cosmogony of brands look like?

The story of Menocchio sheds some light, albeit a strobe light, on these questions. Menocchio was born in the small hill town of Montereale, located in the

¹ We have taken Rem Koolhaas' Manifesto for Manhattan as inspiration for our argument. He suggests that the fatal weakness of manifestos is their lack of evidence: 'Manhattan's problem is the opposite: it is a mountain range of evidence without a manifesto' (Koolhaas, 1978/1994: 9).

² Taleb, 2007: 8.

Friuli region of north-eastern Italy. On 28 September 1583, when Menocchio was 52 years old, he was accused by the Holy Office of heresy. At the heart of the allegation was Menocchio's strange cosmogony. It went like this:

[I]n my opinion, all was chaos ... and out of that bulk a mass formed – just as cheese is made out of milk – and worms appeared in it, and these were the angels. The most holy majesty decreed that these should be God and the angels, and among that number of angels, there was also God, he too having been created out of that mass at the same time.³

Of course, this was heretical: God being created out of chaos, angels characterized as worms in cheese – this did not align with the strict dogma that the Catholic Church had formulated to counter the Protestant movement spreading across Europe.

It would be easy to dismiss Menocchio's cosmogony as madness, but if we leave the question of its truth aside for one moment, we see a miller from Friuli thinking about the world; he tries to explain things. As he put it to the inquisitor, 'I have an artful mind, and I have wanted to seek out higher things about which I did not know.'⁴ Where did Menocchio get his ideas from? How did he construct his map of the world?

Besides some translated chronicles and legends, he read the Bible in the vernacular, possibly the Koran and a travel book by Sir John Mandeville written in the fourteenth century telling fantastical tales about travels to India and China. Through reading, Menocchio's mind was no longer limited by the bounds of geography. With Mandeville, he visited the Orient and learnt about pygmies, men with heads of dogs and sheep growing on trees. Menocchio used this fantasyland as an ideal point from which to distance himself from the present and criticize it. He speculated that different races have 'different laws', where people live 'one way and some the other' and 'some believe in one way, some in another'.⁵

During the interrogations, Menocchio's relativism turned into fatal criticism: 'Yes Sir,' he answered the Inquisitor, 'I do believe that every person considers his faith to be right, and we do not know which is the right one: but because my grandfather, my father, and my people have been Christians, I want to remain Christian, and believe that this is the right one.'

Although there are more than 400 years between Menocchio and us, he is much closer to us and our thinking than we might want to believe (or

³ Ginzburg, 1976/1992: 53.

⁴ Ginzburg, 1976/1992: 12.

⁵ Ginzburg, 1976/1992: 45.

admit). He 'learnt' – but not in the sense of adaptation; rather, his learning was a process of appropriation of foreign things, a translation of the unknown into the known and familiar. Halfway between Menocchio's mind and the pages his eyes scanned curiously, a weird and wonderful new world appeared that was more seductive, more powerful and more consequential than its origins.

When we write, when we think, when we try to imagine, we are in the same world as Menocchio: Mandeville-style fable books around us and websites in front of us 'inspire' our imagination and 'spark' our creativity in a quite similar way as Menocchio's books inspired him. We might be led on the same critical adventure as was Menocchio. The *status quo*, the way things are done, may become stretched and distorted, obscured and amplified. When we read a book, study an article, interview a branding expert or surf the web, there is a filter that turns some of the data into valuable information and stories while other bits remain white noise. This filter tells us more about us than about the subject at hand. What we know is a consequence of our time, a function of our culture – not its source.

Brands are the corollary of a particular way of conceptualizing, practising and institutionalizing a theory that has not been articulated yet. We grab what we can find and assemble explanations for what we call, for want of a better term, 'brands'. Indeed, brands are things, they are tools, they are processes; they explain, they seduce, they corrupt; they are used by corporations and those who fight them. Brand knowledge itself comes from sources as colourful as Menocchio's readings: as Douglas Holt put it, branding derives from 'a cultural historian's understanding of ideology as it waxes and wanes, a sociologist's charting of the topography of contradictions the ideology produces, and a literary critic's expedition into the culture that engages these contradictions.'⁶

As a young, fledgling field, it is still in the making, on the move, influenced by agencies and consultancies as much as by scholarship and research. The boundary between truth, half-knowledge, common sense and sales talk is often hard to draw.

Things, including brands, have a weird status in this world – a status that Günther Anders described in his analysis of TV as 'ontological ambiguity'. A TV image is neither real nor imaginary; it defies the definition of either an event or a representation of an event. Anders regards these particularities of the media-world as giving rise to 'ontological ambiguity' because the

⁶ Holt, 2003: 49.

transmitted events are present and absent at the same time, real as well as fictitious – they are phantoms.⁷

Brands resemble these phantom-realities: they are beyond true and false, just as fashion is beyond beauty and ugliness. So what we know about them is precarious: just as Menocchio made his cosmos, we make our world by learning from foreign countries, reading foreign case studies and listening to foreign voices. Our cosmology is not all that different from Menocchio's, where god, worms and angels mingled in cheese; we talk equally confidently about consumer segments, brand values and the four Ps (product, price, place, promotion) that mingle in markets. Menocchio's story is a salutary reminder to take our own knowledge with a pinch of salt, a healthy dose of criticism and an injection of some irony and satire.

Menocchio serves as an important signpost at the beginning of our journey. Brands are phantoms, distinguished by an ontological ambiguity that renders it impossible to measure them like a sack of wet sand sitting on the ground. Rather, our way of thinking, with all its in-built mythologies, convictions and rationalities – in short, our epistemology – is what renders brands visible and knowable in the first place.

Equally importantly, this does not mean that the journey is an egocentric trip through our collective mind. A signpost directs us on a journey but it does not take the journey itself. Similarly, Menocchio makes us aware of what it means to know and theorize, but this does not relieve us of the need to produce our own explanations to allow us to make sense of our world and orient us in our thinking.

'The century of the self': a short genealogy of the past

Branding is at once one of the most artificial and yet most real forces in our society. A look at the past explains its current power. *The Century of the Self*, a BBC 4 documentary made by Adam Curtis and broadcast in 2002, tells the story of the twentieth century and how powerful politicians and corporate leaders used Freud's theory of the unconscious to control the masses. At the centre of the story is Edward Bernays, Freud's nephew. He was the first to link mass-produced goods to the subconscious, arguing that people are driven subconsciously by irrational and emotional forces that can be satisfied with products. Simultaneously, this would render individuals both happy and

⁷ Anders, 1956.

docile. It would give rise to an all-consuming self that seeks development and expression through acts of consumption.

Edward Bernays had worked for the US's propaganda machine during World War I and successfully recast President Woodrow Wilson as a liberator of the world. When Bernays joined Wilson in Versailles for the peace negotiations, he was stunned by the emotional attachment the masses had to the president. From then on, his question would be: How can we use the propaganda of war in peacetime? Because the word 'propaganda' had a dubious reputation, he invented a new term and called his peacetime propaganda 'public relations'. In his famous book from 1928, *Propaganda*, he wrote: 'The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country.'⁸ Reading his uncle's work, Bernays was convinced that hidden inner forces were the true motivators of human decision-making. Of course, this was dangerous since the dark side was lurking under a thin veneer of civilization, ready to break out and wreak havoc. For him, it was clear that democracy was an unsuitable mechanism for governing society. So the masses needed to be controlled through the manipulation of their irrational impulses. People could not be convinced with rational information; rather, they had to be seduced and manipulated into doing what was best for them. Corporate America liked that message.⁹

One of Bernays' first assignments was to get women to smoke cigarettes. After World War I, smoking was still a male prerogative and it was taboo for women to smoke in public. The cigarette manufacturer Hill asked Bernays to come up with a way to get women to smoke cigarettes. After being paid a handsome fee and consulting a leading psychiatrist, Bernays had the solution: the cigarette was a male symbol, representing the phallus. The only way to make women smoke, therefore, was to change the symbolic meaning of the cigarette. And this is exactly what he did. He organized for a group of women at the New York City Easter Day Parade to have cigarettes strapped to their legs; at a signal, they would all light up during the parade as a sign of resistance against a male-dominated society. The cigarette would become

⁸ Bernays, quoted in Danser, 2005: 71.

⁹ Back in Vienna, Uncle Sigmund was less pleased with his nephew's entrepreneurial, one-sided application of his *oeuvre*. Freud's notion of the subconscious was far more complex than Bernays' reading admitted. His simplistic idea that organized communication in the form of propaganda could rectify the most tragic yet fundamental fact of mankind must have ranked between naïve and dumb in Freud's mind.

synonymous with an act of rebellion – it would be seen as a ‘torch of freedom’. Smoking would be redefined as a powerful, independent and individual act.

Bernays informed the press about the event. By pretending to leak the news to the media, he created the first guerilla campaign in marketing history. The *New York Times* headline of 1 April 1928 thundered: ‘Group of Girls Puff at Cigarettes as a Gesture of “Freedom”’. But Bernays did more than that: he redefined a product without changing its functionality or ingredients. He linked the product to emotion and changed the way people related emotionally to it. The object itself had become irrelevant; what counted was the symbolic dimension of the object and the way people related to it emotionally.

In the 1920s, most products were sold on their function, appealing to the need of the buyer. Advertising was information-heavy, hoping to convince potential buyers of the merits of products. Edward Bernays changed this world: it was no longer about the product and its functionality but about the way the product related to people’s subconscious desires. A shift occurred, from a focus on needs to the stimulation of desires: while needs can be satisfied through the functionality of a product or service, desire creates and produces an appetite for goods and services that are no longer directly linked to a need. Needs can be fulfilled, desire cannot: as Slavoj Žižek puts it, desire’s *raison d’être* is not to realise its goal or to find full satisfaction, but to reproduce itself endlessly as desire.¹⁰ Whereas products are designed to match needs, brands are created to produce desire.¹¹ This desire becomes the most powerful force in our society – that is why people relate to society no longer as owners, producers or citizens, but as consumers of brands. Thus brands are the very stuff that dreams (and nightmares) are made of.

But let’s return to Bernays. The Freudian philosophy behind his ideas was simple: people are guided by unconscious, deeply irrational forces. They can only be controlled through the enlightened despotism of an invisible government. Social control needs to be built on these emotions. As Bernays put it, ‘the engineering of consent’ was only possible through manipulation, with the goal of creating ‘happiness machines’, as President Herbert Hoover put it in a speech he gave to a group of advertising executives. ‘You have transformed people into constantly moving happiness machines that have become the key to economic progress,’ he said. In this vision, people were not in control of

¹⁰ Žižek, 1997: 39.

¹¹ It is important to note that this is confined to the affluent Western world – in their introductory essay, ‘The Politics of Necessity’, Morgan and Trentmann (2006) draw the distinction between the desire and the political struggle over the provision of basic goods and services such as electricity and water. See also Slater’s excellent essay on ‘Consumer Culture and the Politics of Need’ (1997).

their lives – it was their desires that led them. Big business positioned itself as being able to channel and control this desire for the good of society.

Ernest Dichter, who had an office in Vienna nearby Sigmund Freud's, was in many ways Bernays' successor. He applied the idea of therapy to groups of people talking freely about products. Rather than using relatively arid surveys or questionnaires, it was about understanding the inner self and its barriers to certain actions. The focus group – now a commonplace feature of modern marketing – was born. Dichter's big breakthrough came with a study of Betty Crocker cake mixture. Women were not buying the product, and Dichter's focus groups showed that they felt guilty about using a ready-made cake mix; it was too easy and made them feel as if they were not doing their jobs. Dichter's solution was simple: on the package instructions, tell the woman to add an egg. This worked on two levels. First, it gave the woman the feeling she was actually baking a cake rather than simply buying one ready-made. Second, and more psychoanalytically, Dichter argued, adding an egg was a highly symbolic action, equivalent to a woman giving her eggs to her husband. Sales of Betty Crocker cake mix soared.¹²

What Dichter did was link a mundane product to a hidden desire or fear and use this emotion to sell the product. The product was a mere symbol that could overcome hidden barriers. It became a therapeutic tool – something that made people feel better, more secure, more confident or independent. Shopping became 'retail therapy'. With that, companies stopped looking at action and behaviour and instead focused on values, symbols and culture. They started to produce things that fitted into what was summarized as 'lifestyle' – a way of thinking and being. Maslow's hierarchy of needs was the intellectual justification for this new movement, with self-actualization as the highest goal of human endeavour.

In this world, brands become a prosthesis, or an extension of the self. They represent value, and value is a statement to others as well as an expression of the inner, true self. To buy a brand means to buy a value. This also creates an unlimited-demand side of the market, an ever-growing inner self that expresses itself with ever-new brands.

This was good news for business – people who self-actualized were the best possible consumers. Brands were the tools used to detach 'things' from the limited functionality of products and make them the engine of an endless desire for self-actualization and lifestyle. With the rise of brands, business

¹² See Packard, 1957: 70.

stopped serving individual needs and began to create, manage and control desire.

ING: a short theory of the present

The concept of branding had an impressive career since its inception. Bernays, and later Dichter, focused on the external effects of the brand. For them, the brand was a mechanism to engineer the relation between organization and its environments. Today, branding is management's weapon of choice to structure the *internal* functioning of organizations. We want to write a theory of that present: understanding what happens while the paint is still fresh, the gun still smoking, the engine still warm. So let us fast forward to the finance giant International Netherlands Group, better known as ING.

'ING Leads the Way in Nationwide Brand Experience and Loyalty Study' announces the headline of a recent study by a US market research firm.¹³ ING outperformed other well-known brands – such as Toyota, Volkswagen, Southwest Airlines, Radisson, GM, Hyatt, Google, Wonderful World of Disney and Oprah – in creating a superb customer experience and a sense of community. How does ING, almost a century after Bernays' early experiments, create and use its brand?

ING is not only a well-known brand but also a massive business: its 120,000 employees look after 85 million clients in more than 50 countries. In 2008, it was rated as the seventh largest company in the world.

Reason enough to visit ING's headquarters, an iconic building in Amsterdam's high-growth corridor designed by Roberto Meyer and Jeroen van Schooten. The design already tells you that you're not just approaching any kind of company: the shoe-shaped building floats on 9- to 12-metre high columns so people can actually see through the building when they stand in front of it. Inside, it has not only a large number of offices with a view, but it also has interior gardens and patios. Powerfully, the building tells a story about ING and communicates its brand: openness, transparency and easy access, ideals that are at the core of ING.

Ruud Polet, Global Head of Brand Marketing, meets me in the lobby. In many respects, the story of how I got in touch with Ruud reflects the bank's brand: I simply sent an email to info@ing.com and asked whether anybody would have time for an interview about ING's brand. A couple of days later

¹³ See www.highbeam.com/doc/1G1-169123803.html (accessed 2 August 2008).

I received an email from Ruud's office suggesting I meet up with him. I was truly impressed with ING's directness and openness.

ING is a young company. The brand came into existence in 1991 as the result of a merger of a bank and an insurance company. 'ING grew by acquisitions, buying more than 40 or 50 different brands,' Ruud says.

We did not re-brand them, we just let them be what they were. They just used an endorsement – at the bottom it would say 'Member of ING'. We had a house of brands. In 2000, we started the journey to rationalise them and create one brand – ING. In 2004, the then new CEO, Michel Tilmant, redefined ING as being guided by three simple values: being easy to deal with, treats me fairly, and delivers on promises. What keeps him sleepless is reputation – this is the key asset in our business. It is the trust that people have in your brand. As they say, 'reputation comes on foot but goes on horse' – it takes a long time to build but can vanish quickly. We decided to build one brand to build our reputation worldwide. We might merge with someone – but whatever happens to us, I want to be the leading brand in that partnership. That's as close as you will get to a survival guarantee for ING these days!

Now, four years later, ING is taking it to the next level and positions itself around one single value – 'easier':

Based on a lot of research, 'easier' turned out to be a kind of complex concept: what people meant by easier was easy to contact; be able to give a clear overview of what you're doing for me; if you are transparent; if you are fast and efficient; and if you can provide me advice when I need it – then people would regard ING as 'easier'.

Research found that 'easier' was appealing and relevant for most people, as Ruud explains: '40 per cent of potential prospects were willing to switch to ING if ING was easier than its competitors. That was the business case for our board to redesign the brand around one single, simple position: "easier".'

'Easier' is an overarching concept; it communicates clearly what ING stands for. HSBC's 'The World's Local Bank' is a nice concept, but it does not really help a customer to see value. 'Easier' communicates a clear advantage, a clear value for the consumer. 'In five years there will be only three global finance brands – and ING will be one of them,' Ruud says confidently. The brand is the key asset towards achieving this objective.

The brand is not externally focused, however. 'Before we can announce that, we have to become easier inside the company,' says Ruud.

So we are going through a total change programme that turns the business upside down. We're not thinking about communicating 'easier' at the moment – maybe we never will. We have to *do* it – rather than talk about it. This is what I am working on every day – to make 'easier' stick to the business, not as a buzzword but as something

that changes the business. Toyota called it *Kaizen* – we simply focus on ‘easier’ and use it to change the business.

Research showed Ruud and his team that there are two topics that are barriers to becoming ‘easier’. One is a people topic, the other a business topic: implementing change and decision-making, and IT and processes. ‘To become “easier” we need to help all our businesses eliminate those barriers,’ he says.

That’s what my job as brand manager is. So it is not a branding topic but a business topic. It’s a change programme, not a marketing initiative. The brand becomes an integrative platform – change people, HR people, marketing people, IT people, executives. The brand is the common territory for discussing issues and aligning solutions. For instance, our CEO banks on the brand – he is now Chief *Easier* Officer, with his key responsibility being to drive the concept of ‘easier’.

In summary, the brand becomes the internal organizing principle of ING. The brand aligns the different functional areas and redefines the task of the leadership. Of course, you might say to promote this way of thinking is the job of a brand manager – but does this prove that ING is really structured around its brand? Might it not be just wishful thinking on the part of the brand department, imposing itself on everybody else and creating a fantasy in the liminal (and inconsequential) space of an interview with an outsider?

Borrowing the description by Peter Miller and Ted O’Leary of management as a congenitally failing operation, we have to understand branding as a new, powerful and contagious management concept.¹⁴ Brand managers do control extensive budgets, they do have significant resources at their disposal and their discourse represents a powerful and hard-to-dismiss logic. That does not mean that their vision will be realized: rather, they represent an important and innovative force that shapes organizations – but sometimes in ways that have been neither anticipated nor desired by management.

The brand axis: organizing consumption and production

Branding is not simply a collection of new business tools or a mere reflection of cultural change in society at large. Rather, as our two examples of Bernays and ING have shown, it is a new kind of thinking that has deeply infiltrated the way we manage organization and markets, production and consumption. Brands are a new axis that connects production and consumption with each

¹⁴ Miller and O’Leary, 1987.

other. With Bernays, commodities turned into brands that convey meaning. At ING, the brand entirely transforms the internal operations of the organization. The ING brand re-structures how the organization engages with its environments and how it manages, organizes and strategizes internally.

How did branding evolve into such a powerful organizing principle? In the story of *The Century of the Self*, we witnessed the birth of something important: a product was not defined by its functionality anymore but by its symbolic powers and associations. In fact, changing a product did not require changing its functionality. Rather, it meant changing people's perceptions and interpretations of the product – which is an entirely different matter. Something started to happen, to emerge between people and products, that could not be attributed to people nor to the product. The brand emerged as interface between the emotional world of consumption and the rational world of production. The brand was that powerful yet hard to define interface where supply met demand that persuaded and seduced.

In fact, the brand turned faceless commodities into personal and emotional goods. Goods became social objects, or, as Zaltman put it, '[b]rands are units of social consumption'.¹⁵ A whole new mythology of consumption was born: people ascribed stories and powers to everyday objects. And those objects functioned as social and cultural markers, depicting one's place in society in relation to others.

Of course, anthropologists always argued that objects had magical powers. Think of the cross in Catholicism, or bird feathers, tiger teeth and various animal parts in other religions. But in these cases the object receives its powers through an ideology that spans the lifeworld of its inhabitants. With brands, there is no overarching ideology: the objects themselves start speaking, and they refer to nothing else than their own reality. Brands do not transcend their own horizon. The second big difference is that those brands and their 'aura' were miraculously and meticulously produced in order to make profits.

Bernays' branding of cigarettes was the blueprint for the injection of meaning into products. The simple algebra of branding (functionality + meaning = brand) travelled far and wide. It was copied in literally every industry and soon became the twentieth century's dominant mode of producing and consuming. The subject was organized around that formula: its highest value, self-actualization, could only be achieved through accessing the meaning in the products surrounding the consumer that for short intervals satisfied the burning desire inside. In reality, talk about supply as being driven by demand

¹⁵ Zaltman, 2003: 227.

and consumer needs as the first – and most important – ‘fact’ was little more than a convenient fable that helped to legitimate business. The desire to self-actualize, which by definition could not be satisfied, created ever-new opportunities for business. It culminated in the concept of lifestyle, where goods form the patterns of a life that is styled around brands.

But this is only half the story. The other half is that brands started to challenge and rearrange the way production was organized inside corporations. It was not enough that a company would produce brands while remaining anonymously in the background. Nor was it enough that a firm attached meaning to its output as a mere afterthought. Increasingly, companies realized that they needed to brand their businesses and inject them with meaning as a whole. Big businesses run by what Reich has called ‘corporate statesmen’,¹⁶ such as Ford in the US or Siemens in Germany, were always concerned about their reputation. Their proprietors saw themselves as patriarchs of society, with a moral obligation to influence its fate. It was their often idiosyncratic personalities that determined the values of the company.

ING’s brand is organized differently. Its current CEO, or brand manager, is hardly in a position to instil his personal values into the 120,000-employee business. The brand is becoming the organizing principle inside ING: rather than being simply a marketing tool, the brand becomes the integrating platform whereby different teams from HR, IT, operations etc. discuss the future vision of ING.¹⁷ To ‘be easier’ is in fact as much a vision as a brand. To ‘be easier’ is the key strategic insight because it aligns the internal operations with the external environment’s expectations. If this is done well, it comes as close to a survival guarantee as you can get in the now so-volatile banking sector: a strong brand that is anchored in the minds and hearts of people around the globe is hard to buy and then scratch. A strong brand produces trust and legitimizes an organization, which are key to survival. Hence the brand is not just the mythology of a product but also the tool companies use to manage their internal organization.

Managing consumption

As so often in life, it might be easier to agree on what brands are *not* than what they might be. First, they are not mere packaging or sugar-coating.

¹⁶ Reich, 2008.

¹⁷ This argument is at the core of Majken Schultz and Mary Jo Hatch’s work on corporate branding – see Hatch and Schultz, 2008.

At ING, the brand has very real effects on the structure and strategy of the organisation; while the brand might be seductive, it would resemble gross negligence to put it aside as mere rhetoric. Second, it is not one of marketing's special functions: rather, the brand works across the organisation and affects everything, from communication to identity and culture. Third, brands are not about propaganda or PR; although power and control are key elements of branding, brands always bring about points of openness, difference and resistance. The brand is not owned by the business – it relies on interpretation and sense-making by both insiders and outsiders, and that's a dangerous business. Fourth, branding does not only work on a product level: whereas brands emerged first in the FMCG (fast-moving consumer goods) market, they cannot be restricted to soap and chocolate bars. Today, some of the biggest and most interesting brands – such as ING and IBM – are service businesses. Importantly, they don't have to be for-profit either. Greenpeace, The Red Cross and Oxfam are all brands that compete for the hearts and then the hip pockets of people.

While we could add more to the list of what brands are not, trying to zoom in on them is tricky. One source of confusion is industry itself, which constantly churns out new terms around the topic with rather limited shelf-lives, including 'brand equity', 'brand identity', 'brand strategy', 'brand image', 'brand reputation', 'brand promise', 'brand culture', 'brand experience', 'brand positioning', 'brand architecture' and 'brand awareness'. The word 'brand' seems to sell as soon as it is put in front of a more or less complex second word. The resulting conceptual inflation does not help the clarity of the term. The brand of branding is, shall we say, a little confused.

In the beginning, things were a bit simpler. Let's think of one of the first brands: Ivory Soap, from Procter & Gamble. It was invented in 1879, and because it was hard to differentiate from other soap products, it was, from the beginning, branded as pure white soap. Seven years after its launch, the first Ivory Soap baby appeared on the packaging. In 1886, the first colour print ads promoted the brand in *Cosmopolitan*. In 1924, promotional events started to take place, including the first Ivory Soap Sculpture Contest. In 1952, just five months into the launch of television in the US, Ivory Soap travelled via airwaves into the homes of Americans.

The promotion of Ivory Soap did not focus on the functionality of the product, however. From its earliest days it focused on the *values* of the soap. A focus on functionality would have made it impossible to differentiate the more expensive Ivory Soap from other, cheaper products. Hence Ivory Soap

was built upon the fine difference between cleanliness and purity. Ivory Soap turned from a commodity into a brand: what people bought was not a bar of soap but the idea(l) of purity.

For competitors, this positioning was hard to undermine or copy. The brand differentiates the product from other competing products. Ivory Soap had meaning – it meant something more than just a soap bar, something people could identify with.

Ivory Soap wasn't an exception. At the dawn of the nineteenth century, when Nietzsche wrote apocalyptically about the Death of God, the advertising industry praised the Rise of Goods, spending \$50 million in 1864 and more than \$500 million in 1900.¹⁸

Branding turns a commodity into a cultural entity. In that sense, the brand is the meaning of a commodity. A bar of soap remains a commodity unless a symbolic or cultural dimension (purity) is added – *et voilà*, the slippery mix becomes a brand.

What's true for soap might not be true for other endeavours, you might argue. Let's take another slippery example: politics and the election of the president of the United States. In his book *The Selling of the President 1968*, Joe McGinness describes the total makeover of Richard Nixon during his campaign, comparing soap and US presidents: Why don't we turn the president into a brand with a few simple yet distinctive messages and sell our candidate like Madison Avenue sells soap on TV?¹⁹ What caused a moral outcry when the book was published is today accepted practice in politics. Differences between candidates are carefully created and measured through opinion polls and focus groups daily.

Let's look at another example: the world's most iconic brand, Coca Cola. It seems brands can even change our taste preferences. A blind-tasting test between Diet Coke and Diet Pepsi shows a 51% to 44% preference for Diet Pepsi – as long as the testers are kept in the dark. Once they are told about the brands, the preferences change, from 65% for Diet Coke to 23% for Diet Pepsi. How annoying if you happen to work for Pepsi: obviously people do not buy what they like better, but what they think they like better. It's a subtle difference, but one worth millions of dollars in annual sales. How do brands manage to rearrange the taste buds on our tongues? The answer is that brands are not functional commodities but social and cultural icons. Coke represents an

¹⁸ Fox, 1984; Lears, 1994; Marchand, 1985.

¹⁹ Rutherford, 2000: 41.

American ideal, and this is why (many) people love it and drink it. The actual functionality of the product is secondary.²⁰

This is true for almost every business. In the *Financial Times* of 4 August 1999, an executive from probably the most iconic manufacturing business in the US, Ford, stated: ‘The manufacture of cars will be a declining part of Ford’s business. They will concentrate in the future on design, branding, marketing, sales and service operations.’²¹ Ford, that powerful US manufacturing icon that pioneered the moving assembly line, sees manufacturing as a declining part of its business and will focus more on branding. You can guess why: cars become increasingly similar and for customers it becomes increasingly difficult to differentiate between them. Hence the brand of the product becomes more important. If you buy an Audi, VW, Skoda or Seat, chances are they were built in the same factories, have the same engines and were built on the same platforms because they all belong to Volkswagen. What’s different, however, is their brand – the meaning that they evoke in the customer’s mind.

In some cases, organizations go as far as seeing their product solely as a manifestation of the brand. Take the example of Nike. As Phil Knight says, for years Nike saw itself as a production-focused company, ‘but now we understand that the most important thing we do is market the product. We’ve come round to saying that Nike is a marketing company, and the product is our most important marketing tool. What I mean is that marketing knits the whole organization together.’²² Nike had to learn that lesson. In the early days, it produced shoes for athletes. As its popularity grew, Nike realized that most customers did not need the functionality of high-tech athletic shoes. Thinking functionally, Nike concluded that its shoes were completely over-engineered for everyday use and stripped the design out of them. The result was that customers were upset and stopped buying the shoes. Not that they missed the functionality; what they missed was the Nike spirit. Customers wanted to wear shoes like their idols. Learning that normal customers loved over-engineered sports shoes, because such shoes communicated something that customers could not get anywhere else, fundamentally changed Nike’s understanding of what it is. While the brand is the core of Nike, its products are but tools to communicate the brand.

²⁰ Holt, 2004; a plethora of experiments in the tradition of psychologists Kahneman and Tversky have been undertaken, showing that our decision-making processes are little influenced by the actual functionality of a product. Walker’s book, *Buying In* (2008), offers an excellent summary of many of those experiments (including several variations of the Coke vs Pepsi experiment).

²¹ Quoted in Olins, 2002: 51.

²² Knight, quoted in Lury, 2004: 59.

Think Swatch. When Nicolas Hayek turned the Swiss watch industry around and the global market on its head, he did so by redefining the very idea of a watch. What he did was make a watch a fashion accessory that allows the wearer to express their individual identity. It's no longer (just) about functional time-measuring devices. Swatch's design principles, such as colour, shape and theme, were inspired by the fashion industry, including the idea of several new model launches per year in line with the seasonal calendar of *haute couture*. The meaning of the product is transferred – almost magically – onto the owner and provides him or her with a ready-made identity-building device. Brands become extensions of who we are: they are the atoms that make up our lifestyles. That's how they become part of life itself. As Diesel's Renzo Rosso said, '[w]e started selling jeans, and now we are selling a way of life'.²³

The product is not simply a commodity defined through its function, nor does it simply have an added symbolic dimension. Rather, conceptualizing the product as brand, as ING, Ivory Soap, Ford, Nike, Swatch, Diesel and others do, turns the product into but one dimension of the brand. In fact, the product turns out to be nothing but the material extension of the brand.²⁴

The increasing complexity of products and services puts more and more emphasis on the brand as facilitator of decision-making. Think of a computer, a car or any other high-tech product. Most of us have hardly the time nor the expertise to evaluate all the different products and choose the optimal one. Very few of us will pore over past issues of periodicals such as *Which Magazine* to discover the inside story on products. But as consumers, we make satisficing choices. More often than not, these choices are facilitated by the brand.

For instance, Intel was hugely successful at branding a highly complex product. Rather than trying to explain why its micro-processors were better than the competitors' product (something most people would not have understood anyway), Intel agreed to contribute to the advertising costs of its clients if the 'Intel Inside' logo was featured on their products. The consequence was that end-users assumed that Intel must be something special, otherwise well-known companies such as IBM or Compaq would not advertise that they have Intel inside.²⁵ Rather than branding its different micro-chips (e.g. '386 inside'), Intel focused on strengthening its corporate identity. In 2001, ten years after

²³ Wipperfurth, 2005: 106.

²⁴ Askegaard, 2006: 100.

²⁵ The story is taken from Aaker, 1996: 12–13.

the launch of the campaign, Intel had spent \$5.5 billion on it, pushing its brand with almost 2,000 partners on 90 per cent of all PC advertising.²⁶

That works for quite simple commodities like micro-chips. It's amplified considerably when we move towards a sophisticated service and experience economy where intangibles are bought and sold. Think of ING: whereas you might say you think Coke tastes better than Pepsi, it's very hard to compare services. Is ING better than HSBC? Can I compare the services the two different firms offer? Probably not, since they are hardly identical. As a brand manager of a financial services firm lamented, '[I]f it would be much easier if we were a Kit Kat'.²⁷ Whereas goods can be touched, looked at and compared, services are intangible. The hallmark of good or bad quality is the perception of the service. Like beauty, performance and value lies in the eyes of the beholder. Hence the creation and management of perceptions becomes crucial. The brand acts as a 'relationship fulcrum' linking the internal culture with the external promise.²⁸ We'll return to this important point.

In summary, what people consume are not products or services, but brands. Simply put, consumption cannot be understood as the rational buying decisions of individuals – it is a far more complex phenomenon than that. As Mary Douglas and Baron Isherwood state in their book *The World of Goods*, '[c]onsumption is the very arena in which culture is fought over and licked into shape'.²⁹ As anthropologists, Douglas and Isherwood assumed that every object carries social meaning and is used as a communicator. Goods are markers of social roles, flags at the 'visible bit of the iceberg which is the whole social process'.³⁰ They are signs that communicate: the utilitarian part of objects – providing shelter, keeping warm etc. – is in fact only a small part of their function. 'Being fit for consumption', they write, 'means an object being fit to circulate as a marker for particular sets of social roles'.³¹ A cheapish digital watch does a better job at showing the time than an expensive self-winding Rolex; a Hyundai moves you at the same speed through the city traffic jam as a Rolls Royce. The difference between branded and unbranded goods lies in their ability to act as markers of social identity.

²⁶ Miller and Muir, 2004: 26; Hatch and Schultz, 2008: 52.

²⁷ Devlin and Azhar, 2004.

²⁸ Riley and de Chernatony, 2000.

²⁹ Douglas and Isherwood, 1979/2005: 37.

³⁰ Douglas and Isherwood, 1979/2005: 50.

³¹ Douglas and Isherwood, 1979/2005: xxiii; see also Csikszentmihalyi and Rochberg-Halton, 1981.

No wonder Ford, Nike, ING and others focus more and more on the production of brands rather than goods. After all, what people want is a brand; the product is but one manifestation of it. Products and brands relate to each other like gynaecology and sex: one fulfils a purpose, the other mesmerizes indefinitely. They are the stuff our dreams (and we) are made off.

Managing production

Traditionally, organizations have been studied through the lenses of different disciplines. This paradigmatic promiscuity afforded researchers more freedom (and fun) than the monotony one perspective provides. Psychologists studied the behaviour of leaders and followers and the dynamics between them; sociologists studied the industries and structures in which organizations were embedded; anthropologists researched the cultures, practices and myths of everyday organizational life; and economists looked at organizations as mechanisms to optimize transaction costs. Who's right? Probably none of them, and probably all of them.

We argue that organizations are constituted through those different perspectives. This means that these perspectives are performative: they create what they purport to describe, which is a fancy way of saying that organizations do not exist 'outside' the way we talk about them and think about them. Like Menocchio's world, our ideas about branding are the result of a highly complex filtering exercise. But the result of this exercise is powerful: our theories frame our ways of making sense of the world, and they form the launch pad for our actions to change it. Menocchio's world was frighteningly real (and not 'abstract' in Hegel's sense).

The different disciplines that study organizations constitute a rather interesting geography of knowledge. Organizations emerge in the midst of a series of conflicts between transaction and interaction, between the individual and structure and between practice and rules. Organization is at the translation point between society and its institutions on the one hand, and the individual and its psyche on the other. It is a *relais*, a transmission mechanism.

Looking at the number of organizations and their enormous impact on our lives, it is a fairly safe hypothesis to claim that we live in a 'society of organizations'.³² But organizations are in trouble. Organization is a way of reducing complexity and creating order; it is based on routines, and they are

³² Perrow, 1991; Drucker, 1993.

based on recurring events, and they are based on the idea of a stable society. This stability is vanishing quickly. Instability becomes the norm. Hence organizations try new mechanisms to cope with uncertainty and be more closely linked to their environments.

Management and organization theory have focused on internal rationality (or the lack thereof) in situations of ‘muddling through’, and organized anarchies that resemble ‘garbage cans’.³³ At least, this is how organization theorists over the past decades have described the changing image of organizations from rational machines to chaotic, irrational and political networks.³⁴ Institutional theory has highlighted isomorphism (copying and mimicking) as a key learning mechanism, and culture studies have shown that enshrined practices and routines are often stronger than formal policies.

While these theories are valuable in their own right, they all suffer from focusing *inside* the organization. Most theories are obsessed with unscrewing the black box that is an organization, and peering into it to discover the organization’s inner workings. Quite often, researchers are more surprised about their findings than those whom they study. Theories that postulate organizations as rational have been developed by scholars – not by managers – after all.

In this search for enlightenment, the concept of brands emerges as one of the most promising frameworks for an alternative understanding. As I mentioned in the introduction, brands expand the surface level of the organization as they attempt to put every internal function in touch with the external environment. Traditional organizations are characterized by deep hierarchies, strict boundaries that close and protect them from the outside, and they store immense knowledge internally (often more than they know themselves). Brand-driven organizations are flat, maximizing their surface level to provide maximum interaction with the environment. Organizational knowledge necessary for the production of goods and services can be outsourced as integrated global supply chains offer everything on sale – everything but the brand. The brand becomes the face (or better: the mask?) that gives production character and consumption something to fall in love with and remember. Through this brand surface, external ripples are translated directly into internal impulses, and internal rumblings are amplified and made sensible to the outside.

³³ Lindblom, 1959; Cohen *et al.*, 1972.

³⁴ See the books by German organization theorists Günther Ortman (2003a and 2003b).

The concept of branding is a promising evolution of our thinking about organizations because it allows us to think from the outside in. Take the example of ING again: it uses the brand to structure its internal operations; at the same time, the brand engages ING with the world and frames it as being part of its community. The brand has the power – both organizationally as well as conceptually – to bring together strategy (what is ING’s competitive positioning in the marketplace?); people (what is ING’s culture that can deliver the brand?); operations (how should we structure our IT systems so it supports our brand promise?); and marketing (how do we engage with [potential] customers?).

Hence brands are increasingly becoming the internal organizing principle of business. Brands provide an outside-in perspective that enables organizations to think innovatively about how they can engage with their environment. The old logic of technology-driven organizations focused first and foremost on internal capabilities. The new logic of branding puts markets and mindsets first and ensures that internal operations follow their demands. Brands become an organization’s lifeline to the world. Of course, what kind of ‘life’ is admitted through the brand-lifeline is a different matter (see, especially, Part III).

The brand as interface

Brands are interfaces: they mediate between production and consumption; between the planned system of organization and market forces; between control and desire. Brands form a new axis that connects inside and outside and traverses society on the diagonal.

Every connection also marks a difference. Brands represent a system that Baudrillard described as ‘industrial production of differences’: every little aberration, alteration and anomaly is consumed by brand strategists in their conquest for unique and attention-catching brands.³⁵ In the words of Askegaard, brands are a hegemonic vehicle for endless diversity.³⁶

This marks a major shift in the social and cultural politics of our times: while traditional power regimes were based on sameness and homogeneity, branding is preoccupied with differences and heterogeneity. Brands are the cultural engine rooms in which every difference that might make a difference is exploited.

³⁵ Baudrillard, 1970/2003.

³⁶ Askegaard, 2006.

A philosophy of difference, as Deleuze suggests, is based on intensity. In fact, difference in itself is intensity.³⁷ Brands create a world of differences and, by extension, intensities. Of course, those differences are partly borrowed, partly engineered, and the intensities might be created and sustained by large sums of advertising money – but that does not disqualify them. Rather, brands might well be the most ubiquitous and pervasive cultural form in our society.

It is precisely this ubiquitousness and pervasiveness that gave rise to the title of this book: *Brand Society*. Put simply, brands transform the way we organize production and the way we consume; brands also put these two spheres in touch with each other, acting as an institutionalized window or medium between them. If we're right, brands are rapidly becoming one of the most powerful of the phenomena transforming the way we manage organizations and live our lives.

Pervasiveness and ubiquitousness pose an analytical challenge. Branding is not just a new heading for shelves in the library: it is a symptom and symbol of what Said has called our modern political-intellectual culture, and as such it has less to do with markets and business than with us. Branding is our *zeitgeist*: *Google Zeitgeist* puts Apple's iPhone as the fastest-rising item on the 2007 *zeitgeist* index.³⁸ *Zeitgeist* is the master of our times. Nietzsche speaks of the 'digestive power' of the *zeitgeist*, which is 'more like a stomach than anything else'.³⁹ It absorbs and assimilates, weaving the new and the old into one blanket that heavily covers the contours of our mindmaps.

Branding as cultural form is our *zeitgeist*. It digests what's foreign to it and turns it into itself. The anti-brand manifesto *No Logo* is a brand, just as much as the anti-advertisers and sub-vertisers from *Adbusters* are a brand. Thus we need to unravel the abstract thinking that's manifest in the *zeitgeist* and develop a more refined concept of the brand.

In order to do so, we will discuss four major schools of thought in the next section, and analyze how existing theories might be useful for our own endeavour.

³⁷ Deleuze, 1968/1994.

³⁸ See www.google.com/intl/en/press/zeitgeist2007 (accessed 2 August 2008).

³⁹ Nietzsche, 1886/2002: 158: 'That commanding something which the people call "spirit" [*Geist*] wants to be master within itself and around itself and to feel itself master: out of multiplicity it has the will to simplicity, a will which binds together and tames, which is imperious and domineering ... The power of the spirit to appropriate what is foreign to it is revealed in a strong inclination to assimilate the new to the old, to simplify the complex, to overlook or repel what is wholly contradictory.'