The Hot History & Cold Future of Brands

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Abstract

In this paper, a review of literature regarding the evaluation of brands and brand management practices are traced back to Agrarian period (Egypt) and effort has been made to avoid the theoretical aspect of the development by highlighting the historical perspectives. The paper opens by tracing the origin of branding to the earliest man and offers the rationale as to why it was used then. Branding started from the Agrarian economy of Egypt, where it was used to signal the quality of cattle to be sold or purchased and as a theft deterrent. In the Mediterranean region artisans used to mark their clay pots with different images of nature or their thumb. In the Roman territory the legal rights of the mark owner were recognized, that formed the basis for further legal recognition system of mark owner. In Britain strict measures were announced against infringements. It discusses the modern day brand management practices and the criticism it faces. Brand and marketing management have been accused of creating brand narcissism. Further more the relevance of appeal used by brands to consumers and their needs and lifestyle has been questioned. Even the practices for building brand equity are criticized. In the last section a few suggestions have been advanced for the future of branding.

The Red Hot History

Branding in one form or another has been around for centuries[1]. The word brand comes from the 'Old Norse brandr', meaning to burn, and from these origins made its way into Anglo-Saxon countries and adopted the meaning of "to be hot"[2]. It was by burning that early man stamped ownership on his livestock, and with the development of trade buyers would use brands as a means to distinguish between the cattle of one farmer from another. A farmer with a particularly good reputation for the

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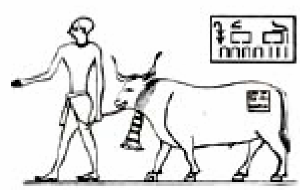
quality of his animals would find his brand much sought after, while the brands of farmers with a lesser reputation were to be avoided or treated with caution. Thus the utility of brands as a guide to choice was established, a role that has remained unchanged to the present day[3]. The ancient Egyptians also used livestock branding in 2700 BC as a theft deterrent, as stolen animals could then be easily identified[4].

Egyptians 'Branded'



Branding initially focused on trademark and differentiating[5]. Brick makers in ancient Egypt put symbols on their bricks to identify their products capabilities[6]. Some of the earliest manufactured goods in mass production were clay pots, the remains of which can be found in great abundance around the Mediterranean region, particularly in the ancient civilizations of Etruria, Greece and Rome.

There is considerable evidence among these remains of the use of brands, which in their earliest form were the potter's mark. A potter would identify his pots by putting his thumbprint into the wet clay on the bottom of the pot or by making his mark: a fish, a star or cross, for example. From this we can safely say that symbols (rather than initials or names) were the earliest visual form of brands[4]. Marks have been found on early Chinese porcelain, on pottery jars from ancient Greece and Rome and on goods from India dating back to about 1300 B.C[7].

In Ancient Rome, principles of commercial law developed that acknowledged the origin and title of potters' marks, but this did not deter makers of inferior pots from imitating the marks of well-known makers in order to dupe the public. In the British Museum there are even examples of imitation Roman pottery bearing imitation Roman marks, which were made in Belgium and exported to Britain in the first century AD. Thus as trade followed the flag – or Roman Eagle – so the practice of unlawful imitation lurked close behind, a practice that remains commonplace despite the structures of our modern, highly developed legal systems[8].

An English law was passed in 1266 required bakers to put their mark on every loaf of bread to be sold. "*To the end that if any bread be faultie in weight, it may be knowne in whom the fault is*"[9]. Goldsmiths and Silversmiths were also required to mark their goods, both with their signature or personal symbol and a sign of quality of the metal.

The first recorded brands in the Western Hemisphere were the Three Latin Crosses of Hernán Cortéz, who landed in Mexico in 1519. Additionally, brands are easily recognized patterns that are used for identification purposes. Livestock being driven across an open range necessitate an easy method of identification to prevent ownership disputes when the animals were commingled with other stock. Brands were subsequently used in the American west as a promise on part of a seller to "make good" on defective livestock sold to buyers[10].

In the US tobacco manufacturers had been exporting their crop since the early 1600's. By the end of early 1800's manufacturers had packed hales of tobacco under labels such as Smith's Plug and Brown and Black's Twists. In 1850's tobacco manufacturers realized more creative names such as Cantaloupe, Rock Candy Wedding Cake and Lone Jack[11].

In the 17th and 18th centuries, when the volume manufacture of fine porcelain, furniture and tapestries began in France and Belgium –

largely because of royal patronage – factories increasingly used brands to indicate quality and origin. At the same time, laws relating to the hallmarking of gold and silver objects were enforced more rigidly to give the purchaser confidence in the product[12].

However, the wide scale use of brands is essentially a phenomenon of the late 19th and early 20th centuries. The industrial revolution, with its improvements in manufacturing and communications, opened up the Western world and allowed the mass marketing of consumer products. Many of today's best-known consumer brands date from this period: Singer sewing-machines in the USA (1850's), McCormick reapers in the USA (1850's) Pear's Soap in UK (1860's) Sapolio cleanser in the USA (1869), Henkel's Bleich Soda in Germany (1876) and Prudential Insurance in the UK (1890's) are just some examples[13].

Brands in the field of marketing originated in the 19th century with the advent of packaged goods. Industrialization moved the production of many household items, such as soap, from local communities to centralized factories. These factories, generating mass-produced goods, needed to sell their products in a wider market, to a customer base familiar only with local goods. It quickly became apparent that a generic package of soap had difficulty competing with familiar, local products. The packaged goods manufacturers needed to convince the market that the public could place just as much trust in the non-local product. Around 1900, James Walter Thompson published a house ad explaining trademark advertising. This was an early commercial explanation of what we now know as branding[14].

According to Keller (1998) Branding passed through three distinct phases in the twentieth century i.e. Dominance of Mass Marketed Brands

(1915 to 1929), Challenges to Manufacturers Brands (1930 to 1945) and Establishment of Brand Management Standards (1946 to 1985)[15].

Implications on the Development of Brands

Modern business literature and empirical studies has evoked many question marks regarding the present branding and marketing practices that have profound impact on the way brands are articulated, developed and modeled. Here, some criticism and then their implications on the modern day branding practices are discussed.

Criticism stems from several new examinations of *the brand-consumer relationship*. Mitchell for example suggests that instead of brands "*fulfilling their role as the consumer's friend, as trusted beacons of superior value*"[16], brand manipulation or obfuscation manifests as *a systemic disorder* or "*brand narcissism*", a disorder that "*reaches right back into the heart of the way we create, distribute and exchange value*". The narcissistic tendencies of brands arises, Mitchell argues, from a combination of the structural, operational, motivational and methodological causes that inherently define modern branding and our commercial system[17].

Willmott in his book, "Citizen Brands" also focuses on a "relationship disorder"[18]. He suggests that many commercial organizations have forgotten the importance of *mutual relationships* that must exist between themselves and other key stakeholders. He argues that this neglect is becoming more serious and that without change, most corporate and brand strategies will be increasingly dysfunctional in the long term[19].

Hence he again adopts a similar theme and suggests that brands have reached a watershed in terms of their relevance, which they are for and the methods by which they are executed. Further, he argues, that many commercial brands, in their quest of sales, growth and profitability "*can be meretricious and they can try to limit our freedom of choice. These are seller-centric brands that operate from the perspective of the brand builder … they undermine the very reason we pay for the reassurance of brands: trust*"[20].

Kitchin also discusses issues of trust, relationships and branding. He places the three in the wider context of the "socio-economic trust vacuum" that now exists between individuals and commercial and public institutions[21].

Yet another form of criticism is concerned with the relevance of modern day branding practices to individuals; "consumer" needs and lifestyles. Despite the fact that over the last decade, there has been widespread awareness and acceptance of how an authentic relational market orientation can create superior customer and brand value, relationship marketing has been described; as being by Varey, "*undermined by an unreflective and narrow instrumental adoption.*"[22] Zuboff and Maxmin in "The Support Economy" argue that the widespread adoption of *relationship marketing* is now having a growing, negative impact on customer perception and experience of brands, even though it claims to resolve many of the limitations of transactional, mass marketing[23]. They suggest that despite the valid discovery of the individual in relationship marketing thinking and brand values, in practice many organizations use the approach to pursue transaction cost-efficiencies rather than fundamentally reinvent the means to create and deliver customer value. Kitchin makes the same point espousing that, "*The offer remains the same; delivery is not improved. What happens instead is that the transaction is wrapped in a layer of humanity, while the corporation struggles to force its corporate or parental behaviour to* *catch up*". Such criticisms are grounded by empirical research into contemporary marketing practice. A study by Coviello and his colleagues for example, found that most marketing within individual firms is characterized by a hybrid approach, partly transactional and partly relationship building.[24] Although Coviello et. al. were able to conceptualize the pluralistic nature of modern marketing, they acknowledge that their research does not explain why marketing managers choose to implement a hybrid or even a predominantly transactional approach. We regard this pluralistic pattern of marketing practice as illuminating in its own right for three reasons.

1. First, it suggests that many marketers are engaged in a sophisticated form of competitive leapfrogging, where the focus is on the incremental, trial and error improvement of 4P's marketing mix practice rather than the achievement of a fundamental breakthrough in the role and value of marketing and branding itself.
2. Second, it confirms that marketers use the relationship marketing philosophy, language, techniques and managerial practices to pursue tactical, promotion-intensive, selling goals.
3. Third, the findings demonstrate that marketing and brand management has an identity problem, which underlines why the above writers continue to question and critique its content, emphasis, boundaries and even its very essence.

Marketers and brand managers are under growing pressure to adapt to the changing values and behaviour of all stakeholders – whether individual customers, consumers, employees, business partners, institutions or people and society in general. As Firat, Dholakia and Venkatesh suggest, there is a pressing need for them to find new ways to close the growing gap between marketing and branding practice on one hand and stakeholder relevance and value on the other.[25] Of course, *buyer-centricity* argues that one mean for businesses to address this value gap is, first and foremost, to respond to the changing needs, lifestyles and values of *people* in their role as consumers or buyers. We now explore these changes and new demands in more detail.

Mitchell evaluates issues of product proliferation and consumer confusion from a whole systems perspective, a view of marketing and brand practice that extends beyond the traditional boundaries of an individual enterprise and which regards marketing and branding practice from a more sociological and ecological angle.[27] Through this lens, Mitchell identifies a “negative whole-system effect” of marketing practice, where the sum of many individual rational corporate marketing and brand management decisions creates collective irrationality and diminishing returns for consumers and society in general. Once again, we have empirical sources to support these arguments. Fournier, Dobscha and Mick for example, researched the connection between the confused consumer and relationship marketing and contemporary brand practice. They were concerned that in many instances, the very techniques used to create relationships are often the ones that are destroying those relationships.

Willmott summarizes the Societal Value brand attribute succinctly: “*It means understanding society and the problems and issues that are engaging people – be they customers, employees, shareholders or whoever – around the world”*.[28] It is about being outward looking, not inward looking; it is about actively participating in society rather than passively ignoring it. It is about *putting society at the heart of the company*.”[29]

Similarly the practice of branding has also been under criticism and has been quoted as leading to many managerial inconsistencies like;

- *Too many brands in too many segments: there may be too many brands in relation to consumer needs, retailer space and company ability to promote*
- *Duplication and overlap*
- *Gaps in priority market segments*
- *Inefficiencies in operations and the supply chain*
- *Diffused and therefore ineffective resource allocation (Davidson* 1997 in CIM 2001)[30].

Similarly, portfolio practices have also been criticized for gaps, poor focus, redundancies and lack of Logic[31].

Decades of unfocused growth, with acquisitions that doubled or tripled portfolios overnight, including such notables as H.J. Heinz, Sara Lee, and Kraft, suffering the economic health hazards of portfolio obesity … these include swollen costs, poor circulation of information, inflexibility, slow decision making, and stressful relations with shareholders impatient for returns[32].

Finding Path for future:

Keeping in view the metamorphic growth pattern of branding and as management discipline and the present criticism this branch of management is facing the following recommendations can be made:

First, Branding should be viewed in its overall composure as *the sum of understanding in an individual's mind built over a period of time…stem from the total experience that an individual has with a product or service*[33].

Second, The role of marketer should be that of an artist who mix elements[34], and should have a broad perspective of the resources available to him/her to be used ingeniously.

Thirdly, there is a strong need for awareness rising between brand and trademark. Trademarks are graphical presentations protected by law, where as brands are abstractions in the mind of consumers[35].

Wise and Pierce have given some useful suggestions on managing portfolios.

1. Push sleeper brands to their full potential.
2. Launch new brands or acquire strategically.
3. Rationalize overlapping brands.
4. Shut down the weakest brands.

End Notes:

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