Building Brands in the Post-Mass-Media Age

Relying on mass media campaigns to build strong brands may be a thing of the past. Several companies in Europe, making a virtue of necessity, have come up with alternative brand-building approaches and are blazing a trail in the post-mass-media age. In England, Nestle’s Buitoni brand grew through programmes that taught the English how to cook Italian food. The Body Shop garnered loyalty with its support of environmental and social causes. Cadbury funded a theme park tied to its history in the chocolate business. Haagen-Dazs opened posh ice-cream parlours and got itself featured by name on the menus of fine restaurants. Huge Boss and Swatch backed athletic or cultural events that became associated with their brands.

The various campaigns shared characteristics that could serve as guidelines for any company hoping to build a successful brand: senior managers were closely involved with brand-building efforts; the companies recognised the importance of clarifying their core brand identity; and they made sure that all their efforts to gain visibility were tied to that core identity.

If you take as a given that companies must build strong brands to be competitive, then you are faced with a simple yet staggering challenge: How?

Mass-media advertising has long been the cornerstone of most brand-building efforts. But that norm is threatening to become obsolete. Fragmentation and rising costs are already inhibiting marketing through traditional mass media like television. And new communication channels - which, in some cases, allow individuals to bypass advertising as they peruse entertainment options, obtain information, or shop - are already in use.

Media options for branded manufacturers in Europe historically have been limited and relatively ineffective. Europeans have had access to few commercial television stations, many of which bundle advertisements to avoid programme interruptions. It is still rare to see media spanning several countries. What’s more, because of the limited media availability, costs have been high. Even as new cable and satellite television channels were gradually added in European countries, costs did not decline - in part because new brands added to the demand. And powerful retailers in many nations usurp much of the available media capacity to engage in corporate to strengthen their brands.

In short, managers of brands in Europe have found that communication through traditional mass media has been ineffective, inefficient, and costly. As a result, many European-based companies have long relied on alternative communication channels to create product awareness, convey brand associations, and develop loyal customer bases. Their brand-building approaches may point the way for others to succeed in the new media age.
This paper focuses on the approaches of six companies: the Body Shop, Hugo Boss, Cadbury-Schweppes with its Cadbury chocolate line, Nestle with its Buitoni brand, Grand Met with its Haagen-Dazs brand, and SMH with Swatch. Drawing on and extrapolating from these approaches, we believe, will serve all companies well, regardless of their location, their ability to access traditional mass media, or their desire and ability to involve themselves in the as-yet-undefined new-media opportunities.

In India, too we have home grown brands such as Biotique that have not succumbed to the use of expensive mass media strategy to build their brand. The ‘natural’ positioning was strengthened by media endorsements and dedicated high street stores that provided information & consultations. It was the first cosmetic brand that made available its products in its original packs at quality hotels. In fact, they refused several lucrative offers to provide refills for hotel’s private label consumption. This strategy paid dividends as the very same hotels finally succumbed and made available “Biotique” branded label in the guestrooms and health centers. Its founder and CEO Vinita Jain championed this entire brand building exercise.

Let Brand Strategy Drive Your Business Strategy

The successful European companies we’ve studied share one critical characteristic in addition to their reliance on alternative media: senior managers drive the brand building. They actively make brand building part of their strategic plans and, as a result, integrate their alternative approaches to brand building into their overall concept of the brand.

One such manager is the Body Shop’s founder and CEO, Anita Roddick, who, believing that advertising is wasteful has made her alternative brand-building methods the basis of her company’s strategy. Peter Brabeck, CEO of Nestle, is another example. Brabeck, as executive vice president for global foods, was the champion for the Buitoni brand; his involvement helped launch one of the food industry’s most original experiments to bypass retailers and communicate directly with consumers. Another case is Jochen Holy, who with his brother shared the responsibilities of CEO at Hugo Boss between 1972 and 1993 and who became its main brand-builder. A grandnephew of the founder, Holy shaped the identity of the Hugo Boss brand and the communication of that identity.

In contrast, most companies delegate the development of brand strategy to someone who lacks the clout and incentives to think strategically. Or they pass the task to an advertising agency, which creates distance between senior managers and their key assets, the brand - the driver of future growth opportunities.

Clarify Your Brand’s Identity

The identity of the brand - the brand concept from the brand owner’s perspective - is the foundation of any good brand-building programme. Whether pursuing alternative brand-building approaches, accessing multiple media, or both, a company must have a clear brand identity with depth and texture so that those designing and implementing the communications
programmes do not inadvertently send conflicting or confusing messages to customers. Each of the six companies examined in this paper subscribes to the idea of a strong, clear brand identity. But Body Shop and Haagen-Dazs illustrate the concept particularly well.

The Body Shop’s core brand identity is in essence its profits-with-a-principle philosophy. The soul of the brand, the philosophy, sends a clear message to employees and customers alike. Consider how the company - in spite of the criticisms of its detractors - “walks the walk” in terms of developing programmes reflecting the core identity. The company opposes testing on animals, helps third-world economies through its Trade, Not Aid mission, contributes to rain forest preservation efforts, is active in women’s issues, and sets an example for recycling. It participates in Save the Whales rallies, advocates for other endangered species (a line of its children’s bath products, for example, comes with informative storybooks about various endangered animals), and supports the development of alternative energy sources. One summer, employees and supporters sent 500,000 signatures to the president of Brazil to urge him to stop the burning of trees there.

These efforts are not ancillary to the Body Shop brand; they are the brand. And the vision carries right through the customers’ in-store experience. Enter a Body Shop, and you are greeted by a clerk who not only wears a Body Shop T-shirt bearing a social message but also believes in the company’s causes, values, and products. Displayed among the store’s goods and tester samples are posters and colorful handouts (printed on recycled paper) that provide information about the products, about social causes the company supports, and about how customers can get involved in rallies, social-cause advocacy groups, and the like.

Compare the Body Shop’s brand identity with those of its competitors. Most skin care and cosmetic lines are indistinguishable, focusing on similar product attributes and health-and-beauty promises. And their customers are not involved with even their favourite brands - except to make a transaction or to receive a broadcast-style advertising message. Clearly, Body Shop has transformed the skin care and cosmetics experience into something more than it has ever been.

Now consider Haagen-Dazs. Grand Met launched Haagen-Dazs in Europe in 1989 despite an economic recession, a tired, stagnant category, and established competitors. Unilever, Nestlé, Mars, and a great number of small but strong local ice-cream manufacturers - such as Scholler in Germany, Movenpick in Switzerland, and Sagit in Italy - advertised extensively, had high level of name recognition, and controlled the limited freezer space in European supermarkets. In countries such as the United Kingdom, strong private labels held more than 40% of the take-home market.

What’s more, Haagen-Dazs was launched at a price 30% to 40% higher than its closest competitors and many times higher than the lower-priced products. How did it succeed? In part by being clear on what the brand stands for. The Haagen-Dazs brand means premium ice cream: thicker, creamier, and pricier than any other ice cream on the market; a sensual,
self-indulgent, pleasurable treat targeted at sophisticated, affluent adult consumers.

The conventional way to introduce a new product such as Haagen-Dazs is to lead with a major advertising effort. But Grand Met chose a different route. To introduce the brand in Europe, it first opened several posh ice-cream parlours in prominent, affluent locations with heavy foot traffic. The café-like stores, deliberately designed to contrast with the more traditional, sterile ice-cream parlours, made a statement about Haagen-Dazs. The company also obtained placement for the ice cream in quality hotels and restaurants but stipulated that the Haagen-Dazs name be featured prominently on menus.

Haagen-Dazs pursued additional approaches to fuel word-of-mouth communication: branded freezers in food retail stores; sponsorship of cultural events; and a relatively low-budget, steamy print-media campaign with the theme *The Ultimate Experience in Personal Pleasure*. Linking the brand to arts sponsorship was a particularly savvy move. At one event, the Opera Factory’s production of Don Giovanni in London, the ice cream was even incorporated into the show. When the Don called for sorbet, he received a container of Haagen-Dazs. The result? A windfall of free publicity, begun and spread among target consumers.

The company’s coordinated brand-building efforts were overwhelmingly successful. Haagen-Dazs brand awareness in the United Kingdom, for example, reached more than 50% within a few months. European sales of the product went from $10 million in 1990 to $130 million in 1994. Today the brand commands one-third of the market for top-of-the-line ice cream even though it continues to charge a hefty premium over copycat brands.

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But when a clear and strong brand identity is lacking, a brand is like a ship without a rudder. Consider Farggi. In 1993, a Spanish company called Lacrem launched Farggi as a premium ice cream in Spain - one year after the arrival of Haagen-Dazs. The Farggi name was chosen because it sounded Italian and hence would evoke images of quality ice cream among Europeans. It also drew on the reputation of the successful Farggi line of pastry outlets. The problem was that the name had too many associations and messages. It had already been used for a standard-quality ice cream sold to food service establishments.

The Farggi strategy, confusing at best, had too many elements: competing directly with Haagen-Dazs, exploiting ties to Spain, having an Italian-sounding brand, and cashing in on the popularity of American style ice cream. (The brand was positioned as being based on an authentic American recipe featuring the best-quality ingredients from Spain.)

Confusing messages were sent by Farggi’s method of distribution as well. It said “premium” by offering the ice cream in 500-millilitre cups for two people (originally pioneered by Haagen-Dazs in Europe) through Farggi-owned or franchised ice-cream parlours reminiscent of nearly Haagen-Dazs stores. At
the same time, it said “cut-price” by distributing Farggi through hypermarket stores in low-rent neighbourhoods and through concessions at regional soccer stadiums.

In short, the brand was everything and nothing. And we believe that, ultimately, its muddled identity confused consumers and put them off. Not surprisingly, today Farggi is trailing Haagen-Dazs in Spain by a significant margin in both sales and market share.

Identity-Building Brand Exposure Creates Visibility

The role of visibility in creating brand equity is often underestimated. Simple recognition can affect perceptions: people tend to like known brands even if they have never used them. Brand visibility can signal leadership, success, quality, substance, and even excitement and energy - all before the product comes into play. However, strong brands find ways to achieve visibility by building and supporting the brand identity. Each of the companies we studied understood the importance of creating visibility while enhancing identity.

Hugo Boss, a fine clothier, created its image of exclusivity and high quality in large part through effective use of sponsorship. In the early 1970s, Hugo Boss sponsored Porsche in Formula One races to capitalize on Porsche’s strong exclusive image and international presence. Over the years, the company also has taken on sponsorship of international tennis, golf, and ski competitions. It has funded exhibitions and artists, and it sponsored television soaps “Miami Vice” and “LA Law,” both of which featured Hugo Boss garments.

Interestingly, Hugo Boss did not come into its own in terms of defining and building its brand until the 1980s. Although the company, founded in 1923 in the provincial town of Metzingen, Germany, was always a producer of high-quality clothing, the brand lacked flair. In the early 1970s, when the sons of Hugo Boss’ brother became co-CEOs, annual revenues were only about 4 million deutsche marks. It was then that brand building began in earnest. A clear division of responsibility allowed fast action once a strategy had been determined.

The visibility garnered through Hugo Boss’s sponsorships paid off quickly. Sales revenues topped DM 100 million in 1980 and increased tenfold during the 1980s. Hugo Boss’ garments are sold in 57 countries, and more than half its sales come from outside Germany, with 20% generated outside Europe. In a 1991 study of men’s clothing brands for the German magazine Gehobener Lebensstil, Hugo Boss was the highest ranked for having an aura of exclusivity and for having customers who routinely considered the brand when purchasing clothes.

If Hugo Boss’s visibility campaign can be called inspired, SMH’s efforts to build the Swatch brand are nothing short of brilliant. SMH took Swatch from rooftops to concert halls to ski slopes in a targeted campaign to boost visibility and forge a clear brand image, redefining a product category and reinvigorating the entire Swiss watch industry.
In the years just prior to the 1983 Swatch launch, watches were either low-cost time-measurement instruments or a high-low-cost combination of heirloom and investment. There was little in between. So SMH set out to define the Swatch core identity as a low-cost watch of excellent Swiss quality (rebuilding the good name of Swiss watch manufacturing) with a stylish, fun, youthful, provocative, and joyful brand personality. The concept of a fashion watch was born.

From the beginnings, SMH made sure that Swatch messages were driven by that strong brand identity. For its launch in Germany, the company hung giant 165-metre “watches” from city skyscrapers with signs that read, “Swiss, Swatch. DM 60.” In Spain and Japan, SMH used similar publicity stunts. For Swatch, the medium was, in part, the message in that it helped to communicate the brand identity.

Sponsorship, too, was carefully planned to bolster the brand’s image among concentrated groups of potential target customers. In Breckenridge, Colorado, for example, Swatch backed skiing’s Freestyle World Cup. In New York City, the company organized the Swatch World Break-Dancing Championship. In London, it sponsored Andrew Logan’s Alternative Miss World Show - and in Paris, a street-painting contest. The company also backed the travelling Museum of Unnatural History, supported the work of avant-garde musicians through the Swatch Impact Tour, and sponsored the pop art exhibition L’heure est a l’art in Brussels. Swatch quickly became part of the worldwide pop-culture movement.

The company also began linking new watch collections to carefully selected events. Although some collections have involved real product innovations, most are fashion driven, in keeping with the brand’s concept. Hence the company has sometimes tied introductions to such milestones as Hailey’s Comet, perestroika, the opening of Eastern Europe, and the 1992 United Nations Earth Summit in Rio de Janeiro.

SMH’s brand-building efforts (which also include a highly successful customer-membership club) have generated tremendous brand awareness. Some of the company’s limited-edition watches have been become collector’s items, drawing exorbitant prices at Christie’s and Sotheby’s art-auction houses. In April 1992, sales reached 100 million, making Swatch the best-selling watch in history.

Keep in mind that sheer visibility should not be the ultimate goal in a serious brand-building effort: any campaign to increase visibility must have as its beacon the brand’s identity. Without exception, the visibility enhancing efforts of the companies we studied have been and continue to be consistent and supportive of their brand identities.

In contrast, the visibility efforts of the Italian clothing group Benetton illustrate the danger of activities that send the wrong message and do not express the brand identity. Founded in the 1960s, Benetton began with a coherent identity that conveyed youth, cultural diversity, racial harmony, and world peace; and it stayed directed for a long time. Then came the 1984 United Colors of Benetton campaign, which made use of print media, a
Formula One sponsorship, and intensive in-store communication, including the distribution of one million copies of the customer magazine Colors through more than 7,000 stores worldwide.

Initially, the campaign was a great success. Sales of Benetton products grew rapidly. Over the years, however, the then Benetton art director, the highly creative and talented photographer and artist Olivieri Toscani, developed his own style of advertising independent of the Benetton brand identity. He produced images for Benetton’s communications campaigns that included a dying AIDS patient, a nun kissing a handsome priest, and a baby’s bottom stamped “HIV Positive.” Although very successful at creating publicity and visibility, Toscani’s work appeared inconsistent with Benetton’s established brand identity, and instead of building the brand and increasing sales, it alienated the target market and Benetton retailers.

The result was flat sales and a damaged brand. In Germany, Benetton’s second-largest market, independent market research by Gruner & Jahr in 1992 and 1995 showed that, partly because of the controversial print media campaign, awareness of Benetton had significantly increased relative to other clothing brands, but measures of likability relative to competing brands had decreased. Also in 1995, several of the 600 German retailers that used to carry the Benetton line banded together in a boycott. The group attributed much of its 1994 sales drop to the campaign. Germany’s highest court eventually ruled against the controversial ads.

**Involve the Customer in Brand-Building Experiences**

Providing extensive information, especially using media advertising, cannot duplicate the impact of customers’ personal experience with a brand. Consider the sampling program of Haagen-Dazs, the participation at Swatch events, the vicarious participation at Hugo Boss events, and the involvement of the Body Shop’s customers in social activism. These experiences create a relationship that goes beyond the loyalty generated by any objective assessment of a brand’s value. Cadbury’s theme part in Bournville, England, and Nestle’s Casa Buitoni Club campaign are further illustrations.

Cadbury has taken what was once a simple chocolate-factory tour and turned it into a theme-park journey through the history of chocolate and the history of Cadbury - complete with a museum, a restaurant, a partial tour of the packaging plant, and a “chocolate event” store. Visitors, who are greeted and entertained by actors portraying Hernan Cortes, Montezuma, and King Charles II, learn about the origin of cocoa and chocolate, the life of the Mayan and Aztec Indians, how chocolate reached Europe, and how John Cadbury’s empire began and grew.

Nestle’-owned Buitoni, a 169-year-old Italian pasta company and brand, had a different but equally creative approach. Already available in the United Kingdom for 30 years, Buitoni was acquired by Nestle’ in 1988. In the early 1990s, only 100 million pounds of pasta were sold in the United Kingdom - a per capita consumption one-fourth the size of that in the United States. Buitoni, with a leading share of 18%, faced two challenges. First, private labels, which held a total of 60% of the market, were a growing threat.
Second, consumers did not seem to have a wide variety of pasta recipes in their repertoire. Buitoni perceived a need to expand consumers’ use of the product, but in a way that benefitted its own brand and not its competitors’ brands.

Buitoni brand manager - with support from the global brand manager originally proposed a way to build a base of loyal Buitoni customers: the Casa Buitoni Club. Nestle’s strategy was that Buitoni would become a helpful authority on Italian food - a brand and company to which consumers could turn for advice on the many varieties of pasta and their preparation. The Company already had established a modern research facility in Sansepolcro, Tuscany - in the original Buitoni family villa - and a staff of chefs set out to experiment with new recipes and develop a wide array of new products.

The first stage of the Buitoni Marketing efforts were designed to strengthen brand awareness and create a core database of consumers interested in getting involved in Italian cooking. Buitoni gave free recipe booklets to anyone who responded to its offers, which were made in the press and through teletext or direct-response television. Other brand support in that initial stage included in-store sampling, sponsorship, a road show with many sampling activities, and public relations connected to the most popular running event in the United Kingdom, a half marathon. Total spending was £1.5 million in 1992 and £2.5 million in 1993. As much as 60% of the 1993 budget went into non-media forms of communications, as opposed to 40% in 1992. The integrated communications campaign (with the tag line Share the Italian Love of Food) resulted in a database of more than 200,000 consumers.

Then, in November 1993, the households in the database were invited to join the Casa Buitoni Club, Those responding received an Italian-lifestyle information packet and a fully-colour quarterly newsletter (with articles about Tuscany and other parts of Italy), pasta recipes, and discount vouchers. Membership benefits also included a toll-free number for anyone wanting cooking advice or suggestions. In addition, there were sweepstakes (with the prize of a visit to the original Casa Buitoni villa in Tuscany), gourmet-cooking weekends, the opportunity to sample new products, merchandise offered against proof of purchase, and suggestions on planning pasta feasts.

Since the club’s inception, membership has grown steadily through word-of-mouth and marketing efforts in alternative low-cost channels, such as public relations events, promotions, and invitations on packages of Buitoni pasta. The use of Buitoni products and customers’ loyalty have increased as well. The toll-free line builds relationships between the brand and club members and providers valuable customer feedback to the company. The Buitoni programme in the United Kingdom has influenced the marketing of Buitoni in other countries (for example, Japan) and the strategies of other Nestlé brands (for example, Maggi).

There is brand building power in getting the customer involved in a larger experience when using a product. Another example that illustrates that power is Adidas. Adidas has developed what it calls urban culture programmes, which include participatory events across Europe such as a streetball
challenge, a streetball festival, and a track-and-field clinic. These popular events include not only athletics but also fashion shows, music (including a hip-hop band), and other entertainment. Spending significantly on this sort of brand building, Adidas has also obtained collaborators: major sports leagues; other marketers targeting the same youth segments as Adidas; sport celebrities; and, most important, media services, which cover events and hence provide free publicity. Partly because of its urban culture programs, Adidas has reversed (without media advertising) the decline in sales that started in the early 1980s. It has turned in two-digit growth figures and market share gains in the last several years - in the face of major media expenditures by Nike and Reebok. Indicators of brand perception show considerable improvements, especially among younger consumers. (Excerpted from Harvard Business Review)

(Excerpted from the workbook of PR Pundit’s workshop held in New Delhi on November 2, 2000)