Editorial

The Quest for Truth

All of us are seekers after Truth. We are engaged on a perpetual Quest for the Holy Grail in the business of marketing. Whether directly involved in business, as I am, or indirectly as the academic or consultant, it is likely that we share a common goal — to find the right way to manage a business.

The analogy with religion holds well; in both there are gurus to help us in our quest. Sathya Sai Baba (true and holy father) is revered by millions of Indians and among more than 100 colleges benefit from his philanthropy.¹ In the west, we have the famous management guru, Tom Peters. When he delivers one of his famous lectures (at up to \$50,000 a time) he adopts a revivalist style with a view to revealing Damascan enlightenment.

Peters' first book, written with fellow McKinsey alumnus, Robert Waterman, gave notice of the quest, with its title 'In Search of Excellence', and was promptly purchased by more than five million seekers after excellence and truth.²

Messrs Peters and Waterman chose 43 successful companies and identified common characteristics which made them successful. Several of these icons of excellence promptly went into decline, ranging from the defunct 'People's Express' to the gargantuan IBM with its equally gargantuan losses.

Undeterred, Peters continued in his quest, taking his disciples with him, and followed up with his book entitled, 'Thriving on Chaos',³ which was itself a chaotic work that identified 45 precepts for managers to follow, few of which are particularly original. These precepts were expanded even further in 'Liberation Management',⁴ his latest book, that at least understands that businesses must keep up with the seemingly ever-accelerating pace of change and recommends flatter hierarchies

to react more quickly to ever-changing customer needs.

The Journal of Brand Management takes a more balanced approach to the search, and does not seek to endorse one way or another, but rather it encourages both practitioners and observers to stimulate debate. At the same time it reviews recent contributions from other publishers, and also includes news of the latest restraints that the legislators may have placed in the way of brand management practice.

Having been schooled in the theory that business goals were best achieved by setting and achieving objectives, I used to think that this journey in pursuit of excellence also had an end. The Holy Grail in this sense is a magic formula of successful marketing; but just as the original Grail is a romantic notion of chivalry to give a purpose to that quest, so it is clear that there is no such thing as a perfect business formula.

That is not to say that we cannot find a successful formula for our businesses at any given time. But the moment we believe that we have discovered the only possible formula is when we have laid the foundation for our own ultimate failure. Through reviewing all the options presented in journals such as *The Journal Of Brand Management*, we keep ourselves alert to the multitude of possibilities which might be considered for our businesses.

The external challenges which we face are ever-changing, therefore our responses must also be constantly moving through a process of continuous innovation, and the essence of this is to challenge the way in which a company operates its own business. The principle is to stay ahead of the competition by competing with one's self.

There is no single route to success, even within this principle. The classic example of innovation dates back to Procter and Gamble with their invention of Brand Management in the 1920s. The corporation found that by introducing new brands to compete with the established brand leaders it already owned, it maintained its market leading position. The consumer had little knowledge that these brands came from the same source.

If the company operates under one brand, synonymous with the company's name, then the essence of brand management becomes the very business of the company. This is the chosen route for Sony. The name was devised once it was recognised that the company would depend on international business for future growth. The original name for the company, Tokyo Tsushin Kogyo Kabushiki Kaisha (Tokyo Telecommunications Engineering Company) was a tongue twister for export markets!

The story has been told many times of how the company's founders, Dr Ibuka and Mr Morita, chose the name Sony and registered in over 150 countries. The important point is that this essentially meaningless and invented name has come to mean a great deal to hundreds of millions of consumers and business users around the world. The brand is tested constantly. Every contact with the company becomes in a small but real way, a redefinition of the brand.⁵

So we can see that brand management is the management of the company's relationships with its customers, both actual and potential. The dimension of time is an important aspect of this relationship. Companies seek long-term relationships with their customers, even if the products they make have low-frequency purchase cycles. It is axiomatic that it costs more to create a customer than to keep one, and yet there has been far more written on the subject of customer creation than customer retention.

Techniques for customer retention are myriad, but again, the essence of this lies in the strategic management of the brand rather than the tactical exercise of customer loyalty programmes. A well-articulated brand is one that captures the essence of the philosophy of the brand owner. Customers have little difficulty in imagining the personality of a brand. It is a well-used technique of market research to explore such personality. Equally, customers are quick to reject the brand-stretching that jars with the authentic brand personality. The brand can be stretched, but only as far as the imagination of the customer.

Once a brand gains widespread respect its owners must be careful not to dilute it too far. Sony is one of the most respected brands in the world; indeed, there is research that suggests that it is the most respected brand in the world. It would be tempting to add the Sony brand endorsement to an ever-wider range of products and services, and undoubtedly short-term success would be achieved.⁶

While many of its competitors are as well-known for domestic appliances, cars or even heavy industrial projects such as shipping and power stations, part of Sony's success is due to its long-term commitment to consumer electronics.

Sony is fully committed to a strategy of constant innovation, and so the brand positioning must also be developed concomitantly. Just as the company's products push back the boundaries of technology, so the marketing of the brand and products explores new frontiers.

The most obvious new venture in recent years was the Sony Corporation's acquisitions of CBS Records in 1988 and Columbia Pictures in 1989. Fully consolidated as Sony Music and Sony Pictures, these companies are subsidiaries of an umbrella division called Sony Software that also embraces electronic publishing and a merchandising operation. These ventures contribute a sig-

nificant percentage to the company's turnover and operating profit. The brand proposition is quite different from the present company, as consumers are more likely to want to buy the latest Mariah Carey disc or see the latest Arnold Schwarzenegger movie rather than purchase the latest software from Sony. Again, the Sony brand has been redefined, and it is our corporate challenge to seek the best way of managing these new relationships with our customers.

In seeking the truth of marketing best practice I have suggested that many of us consult gurus in an almost quasi-religious way. But we also seek guidance in the opposite state — war. Here the military historian seeks to show the clever strategies followed by the great generals, and gives pointers to the future.

One of the greatest war leaders of this century, who was also an outstanding historian, knew differently from his own unparalleled experience. After the Second World War, Winston S. Churchill wrote to one of his generals: 'The moral is that war consists of fighting, gnawing and tearing, and that the weaker or more frail gets life clawed out of him by this method. Manoeuvre is a mere embellishment, very agreeable when it comes off. But fighting is the key to victory'.⁷

For me, this is the truth. We operate in a real world. There is no right way, but we must seek the best way, and be prepared constantly to modify it in the light of our customer's expectations.

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