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Book Reviews

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How Brands Become Icons — The Principles of Cultural Branding

Douglas B. Holt

Harvard Business School Press, 2004; hardback; £17.99
ISBN 1-57851-774-5

A ground-breaking book

‘How Brands Become Icons’ is a ground-breaking book, thought-provoking and of direct relevance and use to all those involved in advertising, protecting brand image or developing customer experience. And it embodies a trend that is *key* to understanding where marketing is headed in the opening decades of the 21st century.

For too long we have regarded Marketing as a subject independent of all others. It is as if — even though we market to human beings — our *brains* (and therefore Neurobiology) are irrelevant to our considerations. Even though it is *minds* that we seek to alter, it is as if Psychology were neither here nor there; and even though we are *social* creatures, that Sociology and Anthropology warranted only a passing glance of disapproval.

Marriage of marketing, psychology and linguistics

No more. Leading theoreticians in Marketing are venturing out of the subterranean missile silos of academia and comparing their maps with more exotic ones drawn up by those in other disciplines. And with the fresh insight this releases, they are exploring hitherto unknown regions of the world in which our customers live.

Who, in particular? People like Martin Lindstrom, who in ‘Brand Sense’ published a new map of Marketing drawn from the Psychology of sensory experience; Jerry Zaltman, following signposts erected by Emotional Psychology and Linguistics; and Douglas Holt, who has filled the treasure chests of Marketing with jewels stolen from Sociology and Anthropology.

The myths created by legendary campaigns

In his remarkable book ‘How Brands Become Icons’, Holt reviews in detail the legendary campaigns that maintained and created brands such as Coca-Cola, Budweiser, Harley-Davidson and Volkswagen. He shows how they became iconic *not* by highlighting unique features and benefits, but by addressing acute contemporary cultural contradictions, and the deep desires and anxieties these create. He shows how we ‘perform’ myths that have profound meaning for us, and which create tales we can relive when using the product, friendly tales that make us feel better about our lives. Products for Holt are not only ritual objects one uses in enacting one’s own personal myth, but objects whose litany, like the fireside tales of all oral cultures, has not only to be vibrant and memorable, but constantly updated to match the current needs of our audience.

Archetypes and brands

Mark and Pearson (*The Hero and the Outlaw*, McGraw-Hill, 2001) wrote about the power of psychological archetypes to build brands, archetypes drawn from Young & Rubicam's Brand Asset Valuator, but Holt goes much further. He shows that archetypes are not fixed, unchanging entities. The way they are portrayed in culture changes as society changes, changes with the major disruptions in society around us. He shows that iconic brands are built by understanding these disruptions, and that with ads that address these changes one *can* create ads *so* relevant and *so* loved that people will reverse the trend, and set their VCRs to record them and to discard the surrounding programming.

More importantly he points out that such ads build cultural capital — earning the brand the propensity to be listened to more carefully and sympathetically in future.

Bursting with examples

'How Brands Become Icons' bursts at the seams with examples. More, it exposes many current fallacies managers inadvertently use to bury their brands: the fallacy of 'brand consistency'; the dangers of 'following trends'; the pitfalls of 'listening to the majority' of one's customers. He reveals the limitations of brand 'essence', the shortcomings of 'experiential' marketing and the superficiality of 'stealth' marketing — and especially the distortions created by our use of the 'mindshare' concept.

Irresistible, intriguing read.....

The book is an irresistible read — easy to follow and with intrigue on every page. It is well indexed, well documented and practical. He introduces key new vocabulary we can use to *think* in a powerful new way — and let's face it, much as we hate jargon, if we don't have a *word* for it, it's awfully hard to think about it!

....but also practical

In addition, he lays down a practical guide to identifying *our* currently emerging cultural contradictions (following the revolt against the 'planned obsolescence' of the 1950s, the reaction to 'downsizing' in the 1980s, to the 1990s recognition that one's identity shouldn't depend on a 'pat on the head' from one's boss). And having identified these contradictions, he shows what to do about it. In the past this has often been left to the unreliable instinct of one's agency's creative team, and whether they had the courage to save us from ourselves, and from the narrow and inappropriate restrictions our mental framework imposed on the opportunities ahead. Now we need no longer bask in the glory of our agency's genius or hide behind their incompetence — we can guide them to mutual success.

Ruffles a few feathers

Anything wrong with the book? Well, he's a bit hard on other approaches to marketing, even if they do partly deserve it. But there again he *is* L'Oreal Chair of Marketing at Oxford, and you can't do that without digging your own silo and firing off a few missiles. Neurobiology teaches that we all have brain triggers primed to respond to human conflict, and ruffling feathers is a great way for Marketers to get interest!

The author, though, argues that 'various psychological models have dominated branding and brand communications for some forty years, leaving a distorted legacy of how brands create value and how brand communication adds to this value. This mindshare approach (and its "emotional" variant) works in some areas, but certainly not with

brand symbolism'. He would argue that Zaltman, Lindstrom and the work on 'archetypes' are perpetuating this 'mindshare' tradition. 'Cultural branding is an entirely different approach than these others; can't be mixed and matched. Everything's different: what is a brand, what's a strategy, what are insights, what's a good ad, how do you make it, etc'.

Read the book and tell me what you think. If he's right, and there's a lot of evidence he is, it could transform your business.

Peter Baker M IDM

A similar review of this book, by the same reviewer, appears in the current issue of the International Journal of Market Research.

Customer Intelligence: From Data to Dialogue

Seán Kelly

Wiley, 2006; hardback; £29.99

ISBN 0-470-01858-5

'The anxiety and confusion experienced by information-poor businesses that are paralysed by the absence of customer intelligence is, in many instances, matched by those information-rich businesses that are paralysed by the complexity of the information.'

Customer data for competitive advantage

This quotation from Kelly's latest book neatly illustrates one of the outcomes when organisations fail to recognise the vital importance of 'data', especially customer-related data as a strategic business resource. My own research in this field, and the evidence through my letterbox, the 'phone calls I receive and the spam in my e-mail box clearly indicates that many companies have still to wake up to this reality. Kelly is far from being the first to point out the growing importance of customer data in gaining competitive advantage. However, the difference is that Kelly has helped shape the way we think about data management in the modern world through his earlier authoritative books on topics such as data warehousing, and therefore his view of the customer intelligence landscape should carry considerable weight.

CRM used customer data to fuel mass marketing

The book is divided into two parts. I'm sure that many will not be surprised to read that the title of Part 1, setting the scene, is 'The Decade of Customer Information Exploitation 1990–2000'. I sense a degree of frustration running through this backward glance — the opportunities to really start to harness the power of customer knowledge to build strategic advantage were squandered through simply utilising this new-found information about customers to create short-term profits facilitated by the emerging so-called 'CRM' technologies.

Legacy of consumer distrust

For the first time, marketing was investing in tangible assets to drive their activities. Corporate management demanded a quick return on this investment. All stakeholders (including consumers) were somewhat naïve in the new world of data-driven marketing. Pleas by customers to 'recognise me, my lifestyles, my life stage, even my values' generally went unheeded — customer data was simply used to fuel and perpetuate the old mass marketing, one-size-fits-all model. Not surprisingly, the resulting plea to regulators to curb the flow of all this

The decade of customer information exchange

irrelevant and intrusive communication was more successful, leading to a rapidly declining 'pool' of prospects and a legacy of inherent distrust.

However, as Kelly points out the sleeping giant is awakening; consumers are starting to realise that power lies with them, muscles are being flexed. The future Age of Information is about the empowered customer, the implications of which underlie Part 2 of the book, entitled 'The Decade of Customer Information Exchange 2000–2010'. The model that the author presents throughout the book is 'a contract where the customer explicitly exchanges meaningful and accurate information for prescribed benefits.' Implicit within this view is that the quality of data (not quantity) and the capability to exploit it (responsibly) must underpin strategy and be inherent in an organisation's culture. Partnership with the customer is essential if these aims are to be realised. As Kelly points out, the key to realising that 'real intelligence lies in the acquisition of meaningful customer data rather than endlessly analysing the data that happens to be available' is for organisations to ask themselves not 'what information do we have?' but 'what information do we need?'

Understandably, many organisations will find it extremely difficult to adopt a model that fundamentally changes their traditional way of connecting with the marketplace and has at its heart a shift in the balance of power. Success, as Kelly points out, will also be dependent upon building a communication bridge to span the 'yawning gulf' that separates marketing and technology functions leading to the necessary transformation in business processes. In Kelly's view, the most successful pioneers of customer intelligence were very often gifted generalists adept at bridging the gap between strategy, processes and technology — the 'straddlers' identified by Ralf Dahrendorf about 20 years ago or 'boundary spanners' (Baker and Mouncey, 2003). A rather rare beast in this age of specialists. A further complication described by the author is that causality matters in this new world. Assumptions made in the past need to be re-visited. If it is not possible to identify the basis for an association, then an assumption may need to be ditched, however deeply attached the organisation has been to it in the past.

The strength of the product-centred culture

In analysing the historic picture, Kelly describes the deeply rooted product-centred culture that blinds companies to the changing nature and growing importance of consumers, and prevents them adopting concepts such as customer segmentation. The massive investment in information systems has not created real intelligence within organisations, if viewed from the customers' perspective — hence the increased volume of inaccurately targeted marketing communications described above. The author contends that the growing investment in so-called customer intelligence was paralleled by a 'marked down-turn in commitment to customer management'. In Kelly's view, the business model needs inverting. It's not just the pre-defined product or service offer structure that needs reconsidering, it's also the non-negotiable rules and procedures that the consumer must consent to if they want to do business. The new model recognises the key universal truth: 'Customers have control because they can leave'.

Data in return for benefits

Maybe an obvious insight, but I'm sure everyone reading this review could name at least one organisation that seems to be unaware of this point, or chooses to ignore it! The future must be about a balanced exchange between the provision of data by consumers and the delivery of real benefits based on a more thorough understanding of the customer and his needs by the data gatherer.

Problems of constantly changing personnel and short-term goals

Kelly talks about the information wars, which he believes are now approaching the end game, 'albeit that the end game may be messy and protracted'. Personally, I think that the wake-up call is still being ignored by many organisations and that progress is also often being frustrated by constantly changing priorities and personnel within organisations and an emphasis on short-term goals. But morphing from a culture of talking at customers to one based on listening and dialogue, or accepting that customers 'buy' rather than companies 'sell', will continue to be a bridge too far for many. 'Toying' with an information strategy where the potential consequences are not understood, as some organisations still seem to do, is, as Kelly points out, 'potentially catastrophic'. So, I don't believe that we have reached the end-game, by any means. However, a few really astute businesses have realised the power of customer data and are using this 'insight' to transform what Professor Martin Christopher calls the demand chain, and extracting a high price from others lower down the chain who desire access to it.

A personal view: not "how-to-do-it"

Is it all a good, worthwhile, read? Well, this is not a book for those who are looking for case study examples or detailed 'how-to-do-it' instructions. It is essentially one expert's exposition of the world of information and the strategy that organisations need to adopt in today's world of enlightened and empowered consumers. There are many statements potentially open to challenge, but remember this is very much a personal view. There are also certainly places where the analysis and argument can become over-simplistic, and contain rather sweeping statements, such as the description of 'traditional' market research and the analysis of website data. The Charter for Consumers, for example, rather reflects the key principles within the European Directive on data privacy (but do all organisations faithfully adhere to this law within their practices and processes?), but elsewhere Kelly rightly points out that there is a difference between privacy and confidentiality where personal data is concerned.

What did you do in the information wars?

According to the author, the book is addressed primarily to business strategists — in marketing, technology and customer relationship management. I would tend to agree with this view, but I think that despite JDDD Marketing Practice readers being immersed rather more than others in many of the issues, challenges and practices on a day-to-day basis described in this book, you would still benefit from looking at the bigger picture painted by Kelly. So, what will you answer when asked: 'What did you do in the information wars?'

Peter Mouncey F IDM