

whitepaper

number 1 of 2

Give Them
Something to
Believe In:
The Value of
Brand Culture



branding

A Quick Introduction

This is the first paper in a series of papers presenting a new model of branding, one which draws upon the anthropological concept of culture. It replaces the old model of a separate and controllable external brand image—an image created to speak to consumers on behalf of a company. In the new model, a company’s true values replace the external brand image. We call this new model Brand Culture.

Not that we’re looking for a proprietary term we can put a little TM after and “monetize” or anything. Actually, we developed this model while trying to solve our clients’ problems and, at the same time, while trying to figure out where this branding thing was going next. The theory of Brand Culture was partly informed by Douglas Atkin’s groundbreaking book, *The Culting of Brands*,¹ which was one of the first books to apply anthropological theory in understanding how certain brands work—specifically “cult” brands. While cults, by definition,

are experienced by the few, every human experiences culture, and every brand has the potential to develop a brand culture. Our concept of Brand Culture has also been informed and validated by the recent writings of some really bright anthropologists who are studying the way consumers use brands.² And we love reading really bright anthropologists.

Our first paper (this one) answers the question, “What is Brand Culture?” The next paper will answer the question, “How do I build a Brand Culture?”

Given the severe changes that are rumbling in the digestive tract of the marketing world, it seems like it’s time for a new model of branding. We believe that companies who ignore this model will probably survive, but we don’t think they’ll thrive, and eventually they’ll become irrelevant and dry up and blow away. This, O ever-doubtful CEO and Marketing VP, is therefore not just touchy-feely fluff—we believe this has a direct bearing

on the financial success of your company.

Fickle, Fickle Truth

Science has taught us that truth is pretty much temporary. Just look at the shift from the Copernican cosmos to the Galilean. Or the leap from Newtonian physics to Einsteinian relativity. The Copernican and Newtonian systems were each believed to be absolutely, positively, and unchangingly “the truth.” That is, until the new system came along which proved there was a truer truth.

It’s the same with modern-day branding, which, until fifteen or twenty years ago didn’t exist as a business category, even if in fact its underlying concepts were being practiced by inspired marketers for some time. Over the last hundred years, as the art of creating brands has evolved from designing logos and placing ads to the more complex integrated endeavor known as branding,

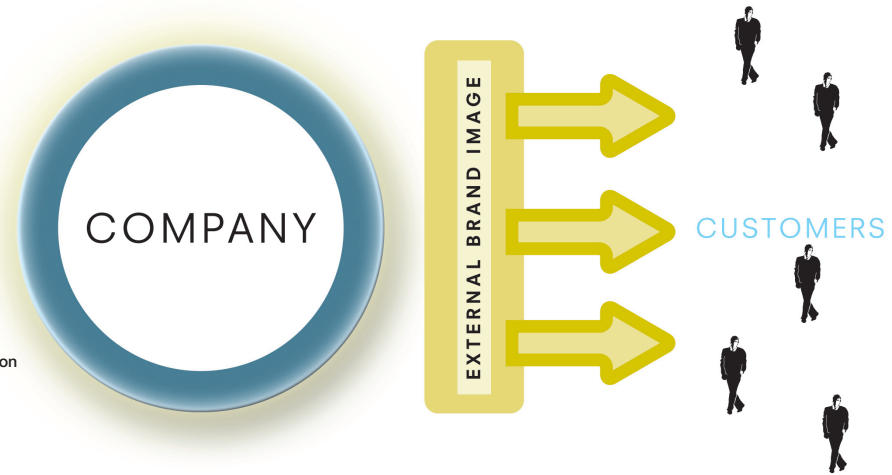
we see a constantly shifting sense of what is true. We believe it’s time for another one of those shifts.

Neanderthal Days

Back at the dawn of the twentieth century, back before the internet, back when there was still a thing called privacy, a nearly impenetrable shell surrounded every company. It was a shell of darkness and silence. The consumer had no idea what was really going on inside a company, and the company had no real way of communicating with the consumer. Companies needed a way to talk to their audience. Advertising was essentially invented to accomplish just that, first announcing that the product or service existed, then promoting the price of the product or service, and eventually touting some superior feature or unique ingredient that made a certain product or service supposedly better than all the rest.

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Fig. 1
The current but out-dated
model of branding, based on
the external brand image.



The Creative Revolution

Jump forward to the glory days of the Creative Revolution, when Bill Bernbach commanded the Volkswagen account. Advertising was not exactly treating consumers as intelligent beings. Ads were full of trumped-up claims and hard-sell messages. Bernbach discovered that if you took a good product and peppered the magazines, the newspapers, and the three television networks with unprecedented ads telling a story in a smart, sassy, and bluntly-honest voice (“Lemon,” “Think Small,” etc.), you would sell product. His insight was that people would be wooed by ads which spoke to them in ways they always wanted to be spoken to—intelligently. He believed people would conclude that Volkswagen as a company was likeable. He was right. And many Volkswagens were sold.

Bernbach’s genius was the realization that people didn’t just want product features shouted at

them. They wanted the product story told in a compelling and satisfying way. He knew that, given a choice, people would patronize a company that spoke to them intelligently—as long as the product was good. In the sixties, the only three ways to experience Volkswagen as a brand were to read or watch the ads, to talk to Volkswagen owners, or to buy the car—all of which proved to be highly positive experiences. Bernbach, in effect, created an external brand image—one that existed outside of the company—that told the company’s story in an unmistakable voice and style that people enjoyed. Such a controllable external brand image was fairly easy to create back in those days because there were so few other sources of information about a company. Consumers either paid attention to the ads or they didn’t. They either liked the message or they didn’t. If they paid attention and liked the message, odds were good they would at least try the company’s products or services. Awareness, a well-told product

story, and trial were enough to drive sales.

One Revolution Deserves Another

The second creative revolution of the eighties, led by Chiat/Day, Wieden + Kennedy, and other agencies, took the external brand image to an entirely new level. People distrusted what advertising said to them. Most ads were lame, boring, and unbelievable. The second creative revolution turned advertising into a series of engaging and entertaining events that didn’t overtly speak about the product or service, but instead gave consumers an experience they loved. This experience was what separated one competing brand from another. The famous Apple “1984” spot and Nike’s “Revolution” are perfect examples. It was like building a stage and putting on plays for consumers. It was a way of demonstrating the brand rather than telling a product or service story. If your play caught consumers’

attention and pleased them—and if your product was good—consumers embraced your brand and were loyal to it because it gave them an experience they appreciated and remembered.

Now, whether the play being shown had anything to do with the company who owned the theatre was sometimes beside the point. In the worst cases it was like bad vaudeville desperately trying to find an act people liked. Take, for instance, the Dr. Pepper brand. What does it stand for? Who is it talking to? Why does it exist? God only knows. The only reason anyone drinks Dr. Pepper is because they like the taste or possibly the high caffeine—or both. The brand certainly has no greater meaning than the product itself—no soul. It has tried on dozens of different advertising campaigns searching for something meaningful to say. The efforts have been embarrassing. All they’ve managed to do is remind people that Dr. Pepper exists.

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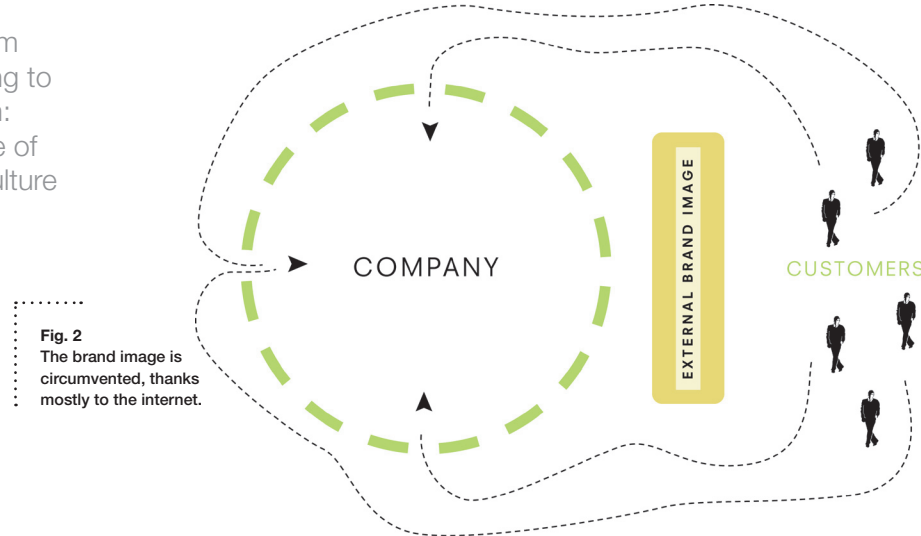


Fig. 2
The brand image is
circumvented, thanks
mostly to the internet.

In the best cases, as with Nike and Apple, the advertising accurately depicted the soul of the company, and the brand and the company were congruous. But the advertising still fundamentally relied on creating an external brand image that delivered a monologue to its consumers, counting on memorability, awareness, and affection to drive sales.

So, doesn't that still work today? Sorry Charlie. First of all, there's no such thing as a controllable external brand image anymore. Thanks to the internet, consumers now have an unprecedented view into a company and access to its most sensitive internal secrets, not to mention instant word-of-mouth reports from people who've tried a company's product or service. For a long time a company's brand could say one thing and, internally, safely protected by the impenetrable shell, the company could act another way. Not any more. It's as if a company's walls are now made of glass and everyone can instantly read everyone else's minds around

the world. If you doubt this for a second, think back to when Nike's brand was suddenly threatened by alleged unfair treatment of foreign labor.

Second of all, people don't want an act, they just want honesty. They don't want a manufactured brand that tries to pander to their tastes. They want something real.

Yes, Bernbach and company were right. People do long for more than just product features and sales messages shouted at them. But what has changed is that people aren't just shopping for a good product or service anymore. They are no longer satisfied with being entertained by memorable brand advertising. That's because people today are using brands in ways Bernbach and others could never have anticipated.

Pappa Got A Brand New Model Of Branding

"In a consumer culture people no longer consume for merely functional satisfaction, but consumption becomes meaning-based, and brands are often used as symbolic resources for the construction and maintenance of identity." –Elliott & Davies³

Let's say the old philosophy of branding revolved around the creation of an external brand image. And let's say, in an era where "transparency" is the word of the day, consumers will no longer buy the external brand image we create, but will take it upon themselves to find out what a brand really stands for by probing for their own truth. And if they catch a whiff of contradiction, they will bolt. The real question is, why? Why are they bothering to probe? Why is it that, no matter how cool the Nike advertising was, people were outraged over what they believed

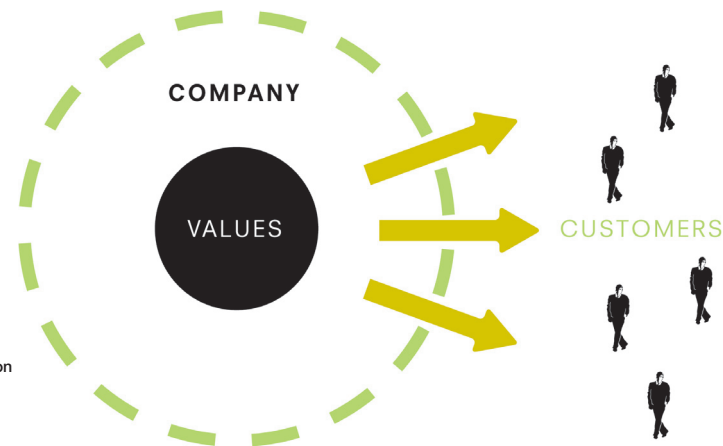
was unfair treatment of workers at Nike's factories in Asia? And what does this have to do with sneakers?

Here's where anthropology comes in. Clifford Geertz, a seminal cultural anthropologist of the latter twentieth century, and who continues to inspire the latest generation in his field, has said that all human behavior is symbolic action.⁴ We are not a species concerned with mere transactions. We are creatures of meaning. From the time when Neanderthals began burying their dead, we have been concerned with the larger meaning of life—who we are and why we're here. Throughout history and, presumably, pre-history, these questions of meaning and identity have been primarily answered by the culture in which we grew up. Our cultures have given us the symbolic tools we needed to create our own sense of identity.

Today we're seeing that certain issues which could be considered secondary to a brand are suddenly primary. People are not just

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Fig. 3
The new model of branding
is based on values that
drive a company's every action
and communication.



choosing the best, the fanciest, or the cheapest. They're choosing brands that have the right meaning. For instance, a few years ago Nike built a decent skateboarding shoe that was certainly as well-made as an Etnies skateboarding shoe. Yet the hardcore skater wouldn't be caught dead in Nikes. Why? Because, in the rebel world of skaters, Nike stood for The Man. The Etnies founder is a famous skater who lives and breathes skater culture. Nike doesn't come from that world. Nike didn't embody the beliefs of skater culture. And a pair of Nikes would have sent a conflicting message to the skater's friends—if he dared wear them to the skate park. Nike had the wrong meaning—a few years ago.

Then Nike launched a new line of skater shoes, called Nike SB—essentially Nike's third attempt to break into the skate market. But this time they somehow got it right. They hired the right people with the right street cred and deep understanding of skater culture. They plucked these people from the "legit" skater brands and put

them to work creating an internal culture that aligned with their audience, and they created a series of shoes that finally undermined the "corporate" image and quietly grew the Nike SB brand. Then, in 2005, they launched their 6.0 line of shoes designed for the multi action sport audience (skate, snow, surf). Some shoes were issued in small, limited editions, and this put Nike over the top. As of today, Nike offers the hottest shoes in the skate and action sports category. They didn't pull this off with a classic TV and print campaign. They started from within, built a legitimate skater culture, built the right shoes, built the right team of riders, sold only to the small core shops, and built a culture that core skaters wanted to belong to. And it worked.

Another example: a Columbia Sportswear polar fleece vs. a Patagonia polar fleece. People who choose Patagonia could hardly call it a difference in quality at this point—at least when it comes to polar fleece. And the Patagonia fleece is more expensive.

Yet Patagonia has a customer base that, while smaller than Columbia's, is absolutely committed to Patagonia. Why? Patagonia donates money to environmental causes. Patagonia gives its employees surfing breaks at work. And Patagonia was founded by Yvon Chouinard, one of the greatest climbers in history. Patagonia is also a serious high-performance brand. In this case, it's not that Columbia Sportswear has the wrong meaning, it's that Patagonia has more of the right meaning for this audience. The Patagonia consumer, like those of so many other brands, is making a choice based on meaning, not just quality, features, or price.

"Right," you could say. "Two great examples of successful brand image campaigns." Well, not really. Because neither Patagonia nor Nike SB and 6.0 have relied upon the old model of creating external brand images. Instead, they've drawn upon their core beliefs and values to create views of the world and ways of acting in the world that have become their central

truths. These internal beliefs have replaced external brand images. Their brands are created by living these beliefs inside the company and letting these beliefs drive external communications and consumer experiences. And consumers are attracted to the meaning embedded in those beliefs.

The Traditional Self

“A people’s ethos is the tone, character, and quality of their life, its moral and aesthetic style and mood; it is the underlying attitude toward themselves and their world that life reflects. Their world view is their picture of the way things in sheer actuality are, their concept of nature, of self, of society. It contains their most comprehensive ideas of order.” –Geertz⁵

Geertz uses the concepts of ethos and worldview to describe how cultures create a seamless, unified system. The ethos (an understanding of how we should act in the world) is supported by the worldview (a picture of how the world really is), and vice versa.⁶ In a sense, ethos and worldview are what differentiate one culture from another. And it is the culture that traditionally gives individuals their definition of self—who they are, what they believe, and how they should act.

Two hundred years ago, if you were born in a Dayak village on

the island of Borneo, you were likely to live and die without being exposed to anything other than the Dayak culture. Your ethos and your worldview would be essentially the same as those of any other Dayak Indian. The practice of headhunting, for instance, would be a part of your everyday life, intimately tied to your religion and your social practices. And, while every culture has allowances for individual personalities, your sense of self, beliefs, and values would be generated primarily by your Dayak culture.

That’s the traditional role of culture. It’s the system that defines the world and how we should act. It is the material we use to shape our sense of self. It’s probably safe to venture that these dynamics have been in place since human kind evolved. Things get much more confusing, however, when we see multiple cultures coming together, as in cities, for instance, where traditional single cultures start to break down and mingle with other cultures. By the time we reach the modern

industrialized world people begin to gain more decision-making over who they are, what they believe, and how they act. The traditional culture starts to lose its authority and choice enters the picture.

The Do-It-Yourself Self

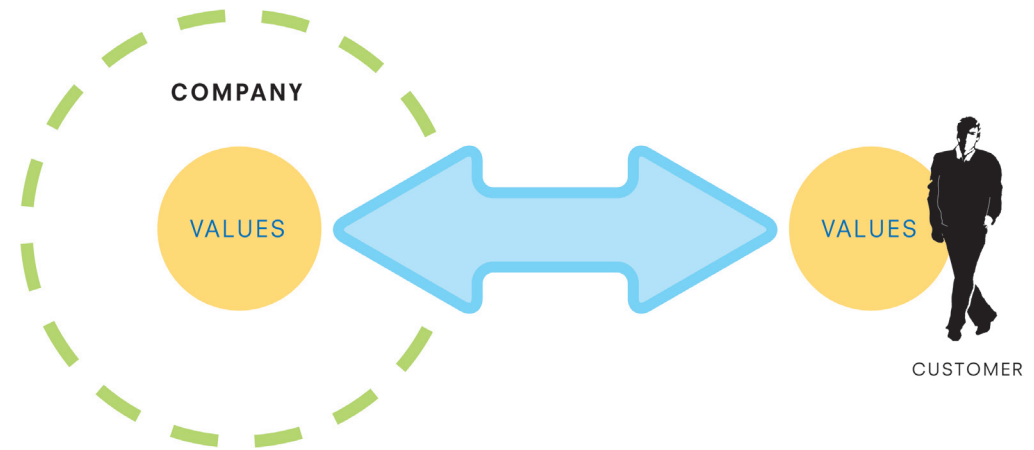
“The self is conceptualized in postmodernity not as a given product of a social system nor as a fixed entity which the individual can simply adopt, but as something the person actively creates, partially through consumption.” --Elliott & Wattanasuwan⁷

Today, a Dayak Indian could attend a missionary school and be exposed to western culture and religion, go to college in Sydney, Australia and study Greek philosophy, join a punk rock band, and then take a career in banking. Rather than describing himself as a Dayak, he now might describe himself as a post-modern-ex-headhunting-neo-Platonist-rebel-capitalist with animistic tendencies. In other words, he could make all the choices most of us face when it comes to shaping our own ethos,

and sense of self. In fact, we all are in the continuous process of defining our sense of who we are and what we believe. We are constantly building and rearranging our mosaic of the self. This is possible because we have unprecedented choice in terms of religious beliefs, moral systems, philosophies, worldviews, places to live, careers, friends, income levels, lifestyles, and personal codes of behavior. We are not limited to the traditional choices offered by the culture we were born into. And this is where contemporary anthropologists see brands taking on a new and intriguing role.

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Fig. 4
The brand's values are
compatible with the
customer's values.



The Brand as Meaning

“A brand may be viewed not solely as a sign added to products to differentiate them from competing goods, but as a semiotic engine whose function is to constantly produce meaning and values.” –Heilbrunn ⁸

As people in the post-modern industrialized world are creating this mosaic of the self, the question anthropologists have asked is: what role does brand and consumption play? The answer many of them are returning is: brands are symbolic units which are used, along with other symbolic units drawn from career, music, fashion, religion, etc, to create this mosaic of the self. Given how fast competitors can copy each other, the world of branding has moved way beyond features, benefits, and entertainment. Brands are now creating value not just by the products or services they represent, but by the meanings they generate.⁹

This meaning is being adopted by consumers to express who they are and what they stand for. Meaning,

in fact, may be the most important product a brand creates today.

Go back to the difference between Patagonia and Columbia Sportswear for a minute. By choosing Patagonia, the consumer is saying, I believe many of the same things Patagonia believes in, and I am using Patagonia as an expression of who I am. I am attracted to the meaning of Patagonia. And my sense of self is partly represented by Patagonia. This dynamic has been prevalent in the luxury category for some time, and cars, for instance, have always been an expression of identity. But what is crucial today is for companies to understand that it's what their brand believes in, stands for, and does in the world that is being judged by consumers. Nike's problems with foreign labor is a perfect example of this.

It seems that many of us in the post-modern industrialized world have moved beyond the needs at the lower end of Maslow's pyramid—survival and safety—and are focused more on the higher needs

of esteem and self-actualization. Therefore brands aren't just about the product or service they provide, but the meaning they represent, which people are using, in turn, to represent themselves. Think of the owner of a Toyota Prius who wears eco-friendly Nau clothing, buys fair-trade coffee at Whole Foods, carries a Prada bag, and wears blood-free diamonds from Tiffany's. This person is borrowing the meaning from these brands to tell a story about herself that ranges from her commitment to social responsibility to her love of quality and dedication to style. If she chose different brands, even if they offered the same quality level but did not represent her social consciousness, she would be telling a different story about herself. She would be, in effect, representing a different person.

The Brand as a Culture

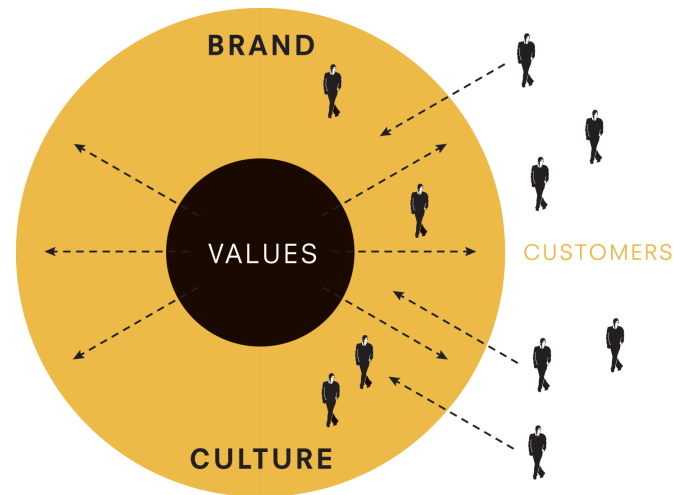
“In a ‘deseccularized’ context, economic entities (and mostly brands) have taken the symbolic place left empty by the retreat of the divine.” –Heilbrunn ¹⁰

There are a myriad of anthropological definitions of the word “culture.” The most useful one, from our perspective, is Clifford Geertz's definition, which is “... an historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which men communicate, perpetuate, and develop their knowledge about and attitudes toward life.” ¹¹

We believe that a brand, in order to be relevant to consumers and sustainable over time, must operate much like a culture. This is the opposite of manufacturing a series of external brand images in the hopes that one of them will eventually be attractive to the target audience. A company must figure out its core values and understand why, beyond the profit motive, it exists. This means that, essentially, a company must develop (or unearth) an ethos and a worldview that it absolutely believes in, and then perpetually act in accordance with that ethos and worldview. Everything the

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Fig. 5
It is vital to create a
culture that customers
can join.



company does—every product or service it offers; every public statement, advertisement, and website it generates; every internal policy, memo, and business decision it makes—must be congruent with that ethos and worldview.

Consumers who are shopping for meaning are either drawn to that ethos and worldview or not. But if the brand truly represents an ethos and worldview that are attractive to consumers, those consumers will not just patronize that brand, they will not just prefer that brand, they will not just be loyal to that brand, they will embrace that brand as part of their own identity. They will, in essence, join the brand's culture and participate in that culture as a way of expressing to the rest of the world (and to themselves) who they are and what they believe in. They will also join the culture because, in doing so, they are enacting their own values and voting with their pocketbook.

The value of this to a company in terms dollars should be absolutely obvious. Think of the stranglehold Apple has on the MP3 player category. An iPod is not just a product. An iPod is a way of life. An iPod is a badge of identity. And why is this? Not just because it puts all other MP3 players to shame when it comes to usability and functionality, but because it also stands for the Apple way of doing things. It stands for a courageous, inventive, rebellious and audacious approach to life that lets every iPod user smack the big, fat, stupid corporate world in the face and say, "You will never think about my needs the way Apple does, you will never invent an iPod, and that is why I'm an iPod person." In fact, the iPod phenomenon is now drawing people to Apple computers, which in October of 2007 announced a jump from owning 2% of the personal computer market to owning 8%, with a 64% increase in profits for the year.¹² The values inherent in the company that produced the iPod are winning people over from PCs to Macs.

Belief, passion, commitment, identification. People want to belong to something bigger than themselves. People want to stand for something that matters. People want to champion good over evil. People want to do the right thing. As political advisor James Carvell has commented, if people were merely looking out for their own self-interests, the Republicans would never hold the White House, because lower and middle class Republicans are voting their values, not their self-interest. Meanwhile, in the super markets, consumers are choosing to pay twice as much for eggs from humanely-treated cage-free chickens because of their values, not because it's a better egg. People are carefully considering the consequences of their actions, and they want brands to do the same.

When a consumer connects to a brand that aligns with their most deeply-held beliefs and sense of identity, they are essentially both pulling that brand into their own world and entering the world of that brand. What's vital is to

create a world that the consumer can enter. This is the idea behind Brand Culture. If you look at what Harley Davidson has done, they have created a rich body of meaning and embodied that meaning in a system of symbols and actions. Whether it's just wearing an official Harley jacket or riding your hog to Sturgis for a week, there are a multitude of symbols, rituals, behaviors and objects that perpetually invite people to join the Harley Davidson brand culture. And Harley Davidson doesn't even have to run the brand culture—it essentially runs itself. They just have to make sure the Brand holds up its end of the bargain and operates in keeping with the Harley ethos and worldview.

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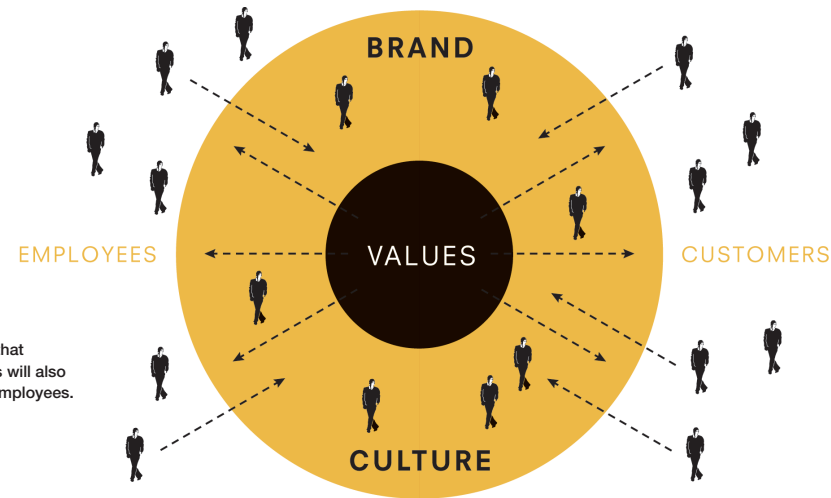


Fig. 6
The same culture that
attracts customers will also
attract and keep employees.

The Culture At The Center Of A Tootsie-Roll Pop

“We argue that moving away from product to corporate branding means moving from a communications/marketing driven activity towards adapting a brand-based strategy for managing the organization. Corporate branding implies that the whole organization serves as the foundation for brand positioning...” --Elliott & Wattanasuwan, 1978 ¹³

Here’s a dirty little secret. We’re finding that, more often than not, when we sit down and have an honest conversation with the CEO and executive leadership of a company, their biggest problem is not how the outside world sees them. Sure, that’s an issue. But the bigger issue is how to mobilize the company internally around one single vision and purpose. Whether it be the result of growth by acquisition or just a nasty case of internal siloing, it is rare for

a company to be unified with everyone pulling together in the same direction and for the same reasons.

Why is this? Sometimes there isn’t a strong, clearly-articulated set of core values driving behavior, so employees feel rudderless and adrift. Or, if there is a clear set of core values, employees don’t see anyone living those values and they become cynical and demoralized. Coca-Cola is a great example. Here’s one of the world’s most enduring brands, but internally there is severe infighting and multiple conflicting agendas.

It hardly seems they are living their brand values, and the company’s brand equity continues to decline while Pepsi’s continues to grow.¹⁴

Johnson & Johnson is an excellent example of an organization that lives its brand values. Every decision the company makes is vetted against a statement called “Our Credo” which makes their number one priority the welfare of doctors, nurses, patients,

mothers, fathers, and all who use their products. The Credo was written in 1943 and is still guiding the company’s decisions today. Johnson & Johnson’s voluntary discontinuation of Tylenol in capsule form after the highly-publicized poisoning episodes cost them \$100 million. Their Credo—their values—wouldn’t have allowed them to do anything else, even though the company and the product were blameless. Johnson & Johnson has created a powerful ethos and worldview that drives both their internal behavior and their branding efforts. You’d better believe consumers are attracted to a brand with such strong values. And employees want to work at a company that’s driven by its values—beliefs they share.

Branding today must be a company-wide initiative based on core values. A company’s performance in the marketplace usually starts with the internal dynamics of the

company. And if a brand sprouts from an internal truth rather than a manufactured image, then the brand starts here as well—on the inside of a company.

Executive leadership must realize that branding is no longer the province of the marketing department. Companies must build a brand culture that is rooted in the heart of the organization and radiates outward as a natural set of actions based on a common ethos and worldview. This brand culture will not only unite employees in a common purpose and vision, it will also attract consumers and engage them in a deep and meaningful relationship that transcends the traditional marketing goals of brand preference and brand loyalty.

In our next paper--our second paper—we will explore how to build a brand culture.

If you’d like to know more about ID Branding, please contact Dennis Hahn, CEO of ID Branding, or Mike Mirkil, Director of Business Development.

appendix

¹ Atkin, Douglas. *The Culting of Brands: Turn Your Customers Into True Believers*. Portfolio (Penguin), 2004.

² See our various footnotes.

³ Elliott, Richard and Davies, Andrea. "Symbolic Brands and Authenticity of Identity Performance." In Schroeder, Jonathan E. and Salzer-Mörling, Miriam. *Brand Culture*. Routledge, 2006.

⁴ Geertz, Clifford. *The Interpretation of Cultures*. Basic Books, 1973.

⁵ Geertz, Clifford. *The Interpretation of Cultures*. Basic Books, 1973.

⁶ *ibid.*

⁷ Elliot, Richard and Wattanasuwan, Kritsadarat. "Brands as Symbolic Resources for the Construction of Identity." *International Journal of Advertising*, 1998.

⁸ Heilbrunn, Benoît. "Cultural Branding Between Utopia and A-topia." In Schroeder and Salzer-Mörling. *Brand Culture*. Routledge, 2006.

⁹ McCracken, Grant. *Culture and Consumption II*. Indiana University Press, 2005.

¹⁰ Heilbrunn, Benoît. "Cultural Branding Between Utopia and A-topia." In Schroeder and Salzer-Mörling. *Brand Culture*. Routledge, 2006.

¹¹ Geertz, Clifford. *The Interpretation of Cultures*. Basic Books, 1973.

¹² *New York Times*, October 27, 2007.

¹³ Elliot, Richard and Wattanasuwan, Kritsadarat. "Brands as Symbolic Resources for the Construction of Identity." *International Journal of Advertising*, 1998.

¹⁴ Lesley Kump, Kurt Badenhausen and Maya Roney. "Beyond the Balance Sheet." *Forbes Magazine*, June 20, 2005.