

A branded WORLD

Adventures in **PUBLIC RELATIONS** and the Creation of Superbrands



Michael

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A BRANDED WORLD

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In his book, *A Branded World*, the author Michael Levine interviews Elsie Maio for insight into the coming trends in branding. He references her comments and work on pages 106 through 110, and again on page 166.

The excerpts follow.

A BRANDED WORLD

named one of the 10 best by a major publication; the president of the company was recently honored by a well-known national organization for service to the community or success in business. It is the kind of effort that doesn't aim at huge results all the time, but always has as its goal the placement of a positive news item about the brand in either local or national media.

SOUL BRANDING

"Target donates whatever percent it donates. Do you go to Target because you like them better, or because you think you're doing good for the world? When you look at Ben & Jerry's, or Häagen-Dazs, is there a reason to buy premium ice cream and pay more than others based on taste alone? I don't think so. I think it's what their research shows about different populations. The Ben & Jerry's brand might mean no hormones to 15 percent of their buyers, where it might mean the feeling of the sixties for me. Their personality is complex, but you only have to pitch in to one piece of that."

—Grace Ascolese, president of Ascolese Associates

There are, however, many ways to build and maintain a powerful marketplace reputation. Some companies are better known for their brand identity than for their products. For example, companies like The Body Shop or Ben & Jerry's might be as famous for their charitable works and commitment to environmental issues as they are for cosmetics and ice cream.

There is a growing contingency of consumers who see their purchase decisions as equivalent to a voting record, and they are sometimes willing to change their buying habits or pay a bit more for a product if they believe they are helping a worthy cause by contributing to that kind of company. There are companies that make it a policy to emphasize these good works, and they make sure the public is aware that investing in their product will help the environment or other causes.

This concept, called *Soul Branding*, was pioneered by Elsie Maio, president of Maio & Co., Inc. Management Consultants in corporate positioning and brand strategy. Maio believes that companies that appeal to the soul will eventually be the rule, rather than the exception, as the public

Brand Maintenance in the Public Eye

increasingly demands moral and community responsibility from the brands it patronizes.

As Maio says, “Ethics and morals will become integrated into the decision making at every level within the organization because authenticity will be required to establish trust. Trust is essential, and trust has been shattered. The dot-com incidents in the investment community and Enron have made the cynicism levels rise significantly. The other aspect to this is that when the companies sit back and wait for regulations to fill in this void, it’s smart business to anticipate the requirements of your constituents. If you don’t, you’ll find yourself subjected to a reactionary backlash of regulations. It could hamstring you and severely limit your operating position.”

Public relations is integral to Soul Branding. If a company does good works and doesn’t tell anyone about them, the good works are still done (although it could be argued that more good works would be done by others with the proper example set). But that is not Branding; it is simply charity. If the goal is to do good works and position the company as one with the right ideas and the public’s interest at heart, public relations is central to the concept. Soul Branding does not take place in the dark; it must be well publicized to do the most good for the brand and the causes that brand supports.

As Maio says, “Public relations gets redefined in the Soul Branding concept to its literal meaning. Public relations has been about directing messages out. Public relations in the Soul Branding concept will be a permeable gateway through which changing values and preferences come into the corporation, get processed, and flow out in responsive and anticipatory initiatives from the company. So public relations takes on a much broader strategic role in terms of its interface with the public.”

Not every company has embraced the concept of Soul Branding yet. In fact, it’s difficult to find a CEO who can give you a strong working definition of Soul Branding (the majority don’t always have a working definition of Branding at all), but Maio’s company has been working with a good number of Fortune 100 corporations on their social responsibility, and the definition of Soul Branding is starting to become universally understood.

A BRANDED WORLD

“Soul Branding is the process of aligning corporate behaviors with the higher social values,” Maio says. “You will have noticed in running your business over the past 10 years or so an increasing requirement for something other than providing the best product at the best price. You will notice there is increasing attention being paid to who you are as an organization and how you behave as an organization in terms of where you sort your priorities. For example, if you are private labeling and engaging factories in the Third World to help you manufacture your private-label brands, you’ll notice that you have come under scrutiny by organizations known as NGOs [nongovernmental organizations] that are keeping track to see if, for example, the standards that are applied in your home country to fair labor practices are being applied to the manufacture of your products outside of your country.”

One of the key examples of the impact of Soul Branding came when the Kathie Lee line of clothing, sold through Kmart, was discovered to be constructed in offshore sweatshops. This became a public relations disaster not just for the clothing line, but also for the celebrity who had lent her name to it. Maio now calls this kind of horrible miscalculation the “Kathie Lee Syndrome.”

But is Soul Branding a realistic concept? Does the average teenager scoping out a new pair of jeans at the mall care whether those pants were assembled by a badly mistreated worker in a country halfway across the globe, or does it matter more that Julia Roberts wore them in her last movie?

Both, Maio says. “The vast majority of consumers are looking for price value, and value in terms of teenagers is largely driven by cool. Cool is often defined by celebrity association, celebrity brands. Now, celebrities are not shy about talking about what social causes they espouse, and environmental issues in particular. So there’s an influence there, even on that end of it.” Meaning that if Julia Roberts exercises her social conscience by refusing to wear sweatshop-assembled jeans in a film, it is a reasonable assumption that a percentage of her many fans will follow suit, even if they don’t know why they’re buying one brand of pants over another.

The current problem with Soul Branding is that those companies that have been vociferous about their social consciences have not been such

Brand Maintenance in the Public Eye

enormous success stories that all other companies are inspired to follow their lead. Yes, says Maio, Ben & Jerry's and The Body Shop have both been shining examples in their social practices, but both companies have had trouble showing the kind of profit margins that spur wild enthusiasm on Wall Street.

Maio explains: "Ben & Jerry's, like some others, have addressed pieces of this puzzle. The reason we call it Soul Branding is because it's a process. To be a successful business in our world today has required a certain arm's length with these issues. How can you satisfy Wall Street and its requirements for short-term profit and also have the long-term strategy to be compassionate and cooperative, to have a sense of equity and fairness in your practices? Those issues have largely been incompatible. They've been pioneers, but they have not been wholly successful in a traditional business sense, and therefore they're not proving the case. They've led on the compassion side and the social responsibility side."

Still, Maio believes the possibility for enormous profits coupled with socially responsible practices exists, and is only a matter of time. And not much time at that. "I'm an optimist as it relates to America and corporate America for the next 10 years," she says. "I think [Soul Branding] is absolutely essential. Take a look at one of the primary stakeholder groups—employees. We've evolved into a knowledge-based economy. The knowledge worker is a worker who is highly educated, highly motivated, and increasingly demanding quality of life. If an organization cannot relate to that, in a manner that is responsive and receptive, that organization is not going to attract and retain that talent. That's not good business."

Not everyone agrees that Soul Branding will eventually be the rule. Even the success that Ben & Jerry's has enjoyed (while not overwhelming, it is still a very successful company) is not necessarily tied to its corporate policies of environmentalism and activism, according to Cable Neuhaus. "I don't think the success has been based very much on the fact they're a do-gooder company," he says. "Not everyone agrees with their fairly liberal social policies."

Soul Branding does, however, represent a terrific type of brand maintenance, as it offers wide opportunities for public relations exposure when a company helps save a portion of the rain forest or expresses its opposition

A BRANDED WORLD

to bovine growth hormone used in dairy products. Shallow gestures meant only to generate publicity, however, will be discovered by the media and used against companies if they are not sincere, Maio contends.

“Gestures are valuable in the Soul Branding concept only when they reference a much larger commitment,” she says. “Authenticity is so crucial going forward that things like cause-related marketing—Revlon sponsoring Breast Cancer Awareness Week and Philip Morris pumping out lots of advertising related to its contributions to protecting battered women—are very dangerous tactics. They don’t connect directly to the core values of the company. You must be able to show your constituents how your behaviors relate to your heart and soul. If it is a part of the heart and soul of your company to be compassionate, it’s conceivable that you would reach out to underprivileged or disadvantaged individuals. But if it is perceived as the heart and soul of your company—as with Philip Morris—to obfuscate the truth at the expense of people’s health, then gestures like that can only hurt you.”

For example, when Anheuser-Busch provided canned drinking water to flood victims in Kentucky in 2002, it made sure people knew about the deed. That didn’t diminish the beer manufacturer’s good deed, and did provide a serious public relations boost at the same time.

Brand maintenance is the ongoing process of reinforcing the promises the brand made at its onset. If those promises are contrary to a gesture being made later in the Branding cycle, they are not going to be helpful. Insincerity in public relations, or outright lying at any part of the process, is always a mistake and will always be discovered, exposed, and turned against the brand.

But maintenance alone does not encompass what must be done after a brand launches. Possibly more important is the concept of brand expansion, which is a more delicate and somewhat riskier proposition. Expansion will take the concepts of brand introduction and maintenance and increase the intensity while combining aspects of both. Massive prior planning and meticulous forethought are required before it should even be attempted.

A BRANDED WORLD

get it; there are brands that have not used a lot of advertising dollars but have created a very good product and a strong presence and used PR to get their name out there. One example is Google, which seems to have come out of nowhere into very common usage. It's a reliable service that has somewhat of a personality behind it; for a Web brand, that's kind of intriguing. You have a very strong, devoted user base that relies on Google almost to the exclusion of a lot of other search engines."

E-Branding is not just the activity of creating a brand on the Internet. It's not just about making e-commerce sites famous and creating brands that end in .com. In spite of the dot-com debacle, the Internet remains a great place to publicize and sell. There are countless opportunities—most of them related to public relations—of which a brand can take advantage on the Web, and they can increase awareness, state the brand identity, and reinforce brand integrity as well as or better than most other forms of Branding communications.

Think of the Internet as a direct means of communication with the public. You can talk to the consumer you most want to reach—and who most wants to hear about your product or service—without any interference or editing from news media, reporters, editors, producers, or networks. You can reach millions of people for the price of one local newspaper ad, and you can do it in the time it takes for you to start to blink.

The Internet also has created a forum for directly interacting with consumers. As Elsie Maio, president of Maio & Co., says, "If you look at how we have run our companies historically, they've been command and control. They've been directed down from the top. That's been changing for years. The one piece that's been missing has been the voice of the consumer, the voice of the customer. The Internet has empowered that voice, and the company that is not receptive and responsive to that on an ongoing basis is going to be out of business, because its competitors will be those things."

A Web site for your brand would have been considered a luxury in 1995. Today, it is an absolute necessity. It is impossible to take seriously a brand that has no presence on the Web at all, but beyond that, it becomes almost inconceivable that any product or service without a Web presence could even become a brand in this day and age. Consumers have come to