Brand Still Matters

JAMIE PRIESTLEY, correspondent London.

There is a nice ad campaign in London at the moment. It's for a challenger brand called Brewdog that makes beer. It compares itself favourably with other beers based on taste, and uses its rivals' ad lines to mock the contrast between their brand and – according to Brewdog – the unexciting truth about their product. The ad is interesting because it expresses Brewdog's solidarity with a large and growing number of consumers who think branding means lying. I want to suggest why brand still matters. First, though, some thoughts on why it has made so many enemies.

Sticking it to the man

Brewdog's strategy is not new. Twenty-five years ago Coca-Cola put its weight behind a large-scale attack on capitalism through "OK" soda, an anti-corporate soft drink brand that laughed at marketing hyperbole. There was a wouldn't care if 74% of the brands we now use disappeared, say Havas in a recent report about meaningful brands, but we increasingly buy from brands that offer not just functional benefits but also improve our personal and collective well-being. Nike recently reminded Americans how powerful brand can be when it's personal. It promoted a football player called Colin Kaepernick who had divided opinion across the country. Some of those who considered him unpatriotic destroyed their Nike logos in public.

Meanwhile it is surely not a coincidence that the top 3 global brands in the Havas report (meaningful-brands.com) are Google, Paypal and WhatsApp – all digital, all leaders in the fast-growing intangible economy where physical assets are minimal compared to the value of the assets you can't touch: research & development, expertise, algorithms, services. The devastating consequences for traditional sectors like hotels

grand launch in 1993 but two years later the brand was killed off because it did not strike a chord with enough consumers and, more importantly, they didn't like how it tasted. Start-ups borrow from postmodern thinking to attack the market they plan to disrupt, including its marketing practices. It's a strategy that allows them to define themselves by declaring "That is not what we are." This is an obvious thing to say when you're a new arrival, because indeed few know who you are, and it exploits the recognition that other brands have built over many years. Anti-establishment campaigns have been interesting, witty and even successful because they feed off widespread cynicism about brands and branding. But their effect tends to be short-lived because consumers eventually see that all marketers, including the subversive ones, just want to differentiate their brands so as to grow them. Rage against the machine loses some of its edge when you put it in your brand strategy.

The origins of consumer doubt go way back. Two hundred years ago Germany's most famous export to London was born, and Karl Marx still influences the study of marketing from his grave in Highgate Cemetery. Consumer choice – the range of choices available – is predetermined, say neo-Marxists. Consumers may think they exercise free will when they choose between the iPhone X or Y or between Apple, Samsung and Huawei. But a network of instant, interconnected "circulating content" makes sure that they never (or rarely) hesitate between a smartphone and no phone at all. Data planners created programmatic to cut through all this circulating content and give people what they really want, but they will never win, say Jodi Dean, Dennis Mumby and other scholars, because we're all caught in a capitalist web. As for activism, postmodernism, irony: they're just the latest tools of neoliberal capitalism. They change nothing and only make us feel that we're independent.

WE'RE SORRY

A chicken restaurant without any chicken. It's not ideal. Huge apologies to our customers, especially those who travelled out of their way to find we were closed. And endless thanks to our KFC team members and our franchise partners for working tirelessly to improve the situation. It's been a hell of a week, but we're making progress, and every day more and more fresh chicken is being delivered to our restaurants. Thank you for bearing with us.

Visit kfc.co.uk/crossed-the-road for details about your local restaurant.

Brand is necessary

Back in the marketplace of real things bought and sold, purchase decisions depend on more than the tangible basics of product features, price and distribution. Brand connects the product to a bigger idea. A logo is the symbol (or signifier) that invokes all the meaning vested over time in the brand (the signified). Over the years, brands have created rather more value than would have been the case if consumers had only compared functional benefits. We and taxis show that consumers have no trouble seeing the value of brands like Airbnb and Uber.

Perhaps the best evidence for the value of a brand is what it offers when things go wrong. A crisis represents the greatest distance between reality and what the brand has promised. It is the moment of lowest credibility and the one the brand sceptic most enjoys.

KFC/Kentucky Fried Chicken had a big supply problem earlier this year in the UK. None of its stores had chicken. Over 24 hours the marketing team agonised with its ad agency about how to respond: how to limit the damage to its brand. The obvious answer was to say "We're sorry". But how? It took over a week to cure the supply problem, and just two days to save the brand. The solution was to rearrange its logo on a press ad so that it read FCK. The result – two Cannes Lions golds this summer. The neo-Marxists were unimpressed. The rest of us just smiled.

by Jamie Priestley

BREWDOG challenges the established brands.

OK SODA, Coca-Cola's brief experiment with postmodernism. The manifesto said: "What's the point of OK? Well, what's the point of anything?"

NIKE Angry patriotic American removes his Nike logos