'Best book of the year on brands.'

jean-noël **kapferer**

[re]inventing the brand

can top brands survive the new market realities?

[re]inventing the brand

Nominated for the Fnac–Arthur Anderson Trophy for Best Business Book of the Year.

'Best book of the year on brands.'
PRODIMARQUES: THE ASSOCIATION FOR THE ADVANCEMENT AND PROMOTION OF BRAND MANAGEMENT

Jean-Noël Kapferer is also author of the highly acclaimed best-seller *Strategic Brand Management*:

'The best book on brands yet. It is an invaluable reference for designers, marketing and brand managers.'
DESIGN MAGAZINE

'After reading Kapferer's book, you'll never again think of a brand as just a name. Several new exciting ideas and perspectives on brand building are offered that have been absent from our literature.'
PHILIP KOTLER, NORTHWESTERN UNIVERSITY

'An authoritative analysis about establishing an identity and exploring it.'
DAILY TELEGRAPH

Kogan Page
120 Pentonville Road
London N1 9JN
www.kogan-page.co.uk

Kogan Page US
22 Broad Street
Milford CT 06460
USA

First published in French by Éditions d'Organisation in 2000
First published in English by Kogan Page Limited in 2001
Translated by Anglia Translations

Kogan Page
120 Pentonville Road
London N1 9JN
UK

Kogan Page
22 Broad Street
Milford CT 06460
USA

British Library Cataloguing in Publication Data

A CIP record for this book is available from the British Library.

ISBN 0 7494 3593 3

Typeset by Saxon Graphics Ltd, Derby
Printed and bound in Great Britain by Clays Ltd, St Ives plc

were created and flourished because they had products with something extra, and advertising enhanced their fame and image. They were the epitome of product branding. The management concepts that stem from this are the result of these origins. The key word is differentiation. The brand is here to differentiate between two products or services; it is part of an approach that carves up and segments the market. Ideally, each new segmentation should give rise to a new brand. The keywords here are targeting and positioning (comparative perception in relation to competitors from whom we wish to differentiate ourselves).

In Japan, nothing is more foreign to brand culture than this endless division. Fundamentally, the Japanese like names which, rather than dividing, separating and splitting, have the opposite function – that of grouping, encompassing, pooling resources, creating links. It is therefore unlikely that the phrase *brand stretching* has an equivalent in Japanese. Indeed, it would not cross the director of Yamaha's mind to use different brand names for its motorcycle business and its classical piano business. The more high quality, famous products there are worldwide under the Yamaha name, the greater the value of the name and the greater the pride felt by its employees. The Japanese have created a brand culture directly inspired by their notion of the company (Macrae, 1996).

Moreover, the world-famous Japanese brands are very often the names of groups – Mitsubishi, Sony, Toshiba, Matsushita, etc. In Japan, the reputation of the company comes before the reputation of the product. Until recently, this was not the case in the West, apart from in the business-to-business world. In fact, two consumer behaviour models are at work here:

- *The West works on the model of appropriation of the product*. This is why the identity of the product is packed with non-material elements. The brand evaluation criteria are differentiation, relevance, ego-enhancement.
- *Japan works on the loyalty model*. The important thing here is to build trust based on one name and one name only. The name of the company is the best candidate for the position of brand name, as it personifies power, continuity and status. Here, the source effect is critical; brand identity does not come from the

> difference between brands, but from the key values that inspire the company. The word 'corporate' derives from 'corpus', the Latin for body. Brand identity in Japan results from an inward-looking approach, where what is important is not an obsession with the other, but respect for one's own values. We can therefore see how nothing could be more foreign to Japanese brand philosophy than Procter & Gamble's breakdown into stand-alone products (Ivory, Crest, Tide, Ariel, and so on), where they are almost ashamed of mentioning the parent company.

In the West, the origin of the brand was a creation for the consumer; the company was of concern only to Wall Street. Furthermore, every product had to have a brand. In Japan, reputation is indivisible, much like a human being, who is simultaneously a consumer, a citizen and an employee, hence the focus on umbrella brand policies, which are large, all-encompassing and draw their strength from their scale. It must be noted that today this practice is now being developed by product brand devotees. Mars has finally acknowledged the virtues of umbrella branding, and we can now find, depending on the country, ice creams, chocolate bars and an instant drink powder in addition to the famous Mars bar, all under the Mars name. It is true that having built such a reputation on the Mars name, yet deriving profit from just the chocolate bar, suddenly seemed wholly inappropriate to the management and shareholders of the famous company. The day will also come when there will be various forms of Ariel other than liquid, solid, micro or tablet, but for coloureds and wool. A name is either a by-word for quality or it isn't.

The rise of the company

We cannot ignore the fact that the Japanese model has now established itself in the West and vice versa. Western companies such as Unilever and P&G now display their name directly on advertisements for their products on Asian television channels. This is particularly noticeable, as we shall see later, in the rise of house brands, master brands, in references to the company on packaging and also in advertisements. A preoccupation with shareholders may have something to do with this – it is true that Wall Street places a higher value on companies that are well known, or whose brands are well known.

This increasing reference to the company comes in the context of a desire to give more meaning and depth to business. Making business emanate from a corporate body reassures the public in these insecure times (in the case of food, for instance), and also acknowledges the role of the community within the company, whose efforts and enthusiasm help make the brand possible. There has perhaps been too much of a tendency for the brand to hide the company, making it little more than a back office. Let's not forget that the brand originated in the know-how of the company. The launch of Saturn, a new American *marque* of car, in 1990, marked the beginning of the return of the company. Rather than merely presenting stereotypical images of cars and smug owners/drivers, the advertisements took the viewer round the factory, and showed the workers talking about their lives and the brand.

Convergence

Curiously, just as the West is rediscovering the company, the East is taking on board product brands and the segmentation of brand portfolios. Japanese companies have recognized that in some markets, there is a need to stimulate appropriation desires. The major Japanese car manufacturers have given their models fancy names – Celica, Civic, Corolla, etc – and these names are surprisingly enduring. They have even recognized the merits of segmentation by brand; Toyota has created a separate brand, Lexus, for its luxury cars, Honda launched the Accura, Nissan the Infinity.

However, the convergence of the two models also has an effect at the level of management methods and concepts. All brands now ask themselves questions about their 'mission', their 'raison d'être', their vision, their core values, all of which are terms straight out of business management. Brands are managed like virtual companies, and every company wants to be a brand, ie to inject meaning into their products and services. And this is what post-modern consumers expect.

Vertical and transverse brands

One of the striking features of the beginning of the new millennium is the power of vertical brands such as Gap, Zara and IKEA. Are they pleasant locations and stores, products, functions, experiences, sensations, images? They are surely all of these. On their own territory, brands reign supreme; when we go to Gap or Zara, we are entering their world.

Moreover, the ideal for the supermarkets is also to become the 'shop of their brand', whereas they are currently merely distributors of their private label and other brands. Décathlon is on the verge of succeeding in this goal – every Décathlon superstore is a Niketown in all but name. Décathlon is no longer just a store: it's even been called Disneycathlon. Décathlon realized that it had to be more than a shop, and turn itself into a leisure destination, a sort of mini-Disneyland dedicated to sport and fun. Every visit is an experience rather than simply the act of purchasing, built around what is poised to become, through the range of its offering, one of the only truly multi-sport brands in the market.

Generally, as they do not have to defend a legitimacy linked to the product or the know-how, retailers have discovered the virtues of transverse brands. No manufacturer could have created the brand now sold in the Carrefour group: Reflets De France. However, this is real value creation – grouping together all the products (almost a hundred) that make up the reputation of the regions of France and traditional flavours under one banner. This is extremely practical for the consumer, and very easy to identify on the shelves. The experiment is to be repeated in the extension of an organic brand, or a brand (Destination Saveurs) that groups together the best exotic products, where the consumer has no point of reference and expects a real service. The retailer is in a unique position to link up hundreds of independent producers with millions of consumers, the point of intersection being a reference brand. In so doing, he adds an undeniable value as the middleman, and the marketer of that brand.

Manufacturers are also becoming involved in brand extension through programme brands, which are not restricted to a single