European Business and Brand Building

P.I.E. Peter Lang
Bruxelles · Bern · Berlin · Frankfurt am Main · New York · Oxford · Wien

ICCA
INSTITUTE FOR CORPORATE
CULTURE AFFAIRS e.V.

KOZMINSKI UNIVERSITY

The papers of this book were first presented at a Conference organised by the ICCA in Warsaw, in March 2007, with the support of the Kozminski University of Warsaw.

ICCA gratefully acknowledges the financial support of Kozminski University.

Éditions scientifiques internationales
Brussels, 2012
1 avenue Maurice, B-1050 Brussels, Belgium
www.peterlang.com; info@peterlang.com

ISBN 978-90-5201-793-8
D/2012/5678/19

Printed in Germany

Library of Congress Cataloging-in-Publication Data.
European business and brand building / Luciano Segreto ... [et al.] (eds.).
p. cm.
Papers presented at a conference organized by ICCA in Warsaw, in Mar. 2007.
Includes bibliographical references. ISBN 978-90-5201-793-8
1. Brand name products—Europe—Congresses. 2. Branding (Marketing)—Europe—Congresses. 3. Corporate image—Europe—Congresses.
I. Segreto, Luciano. II. Institute for Corporate Culture Affairs.
HD69.B7E97 2011 658.8'27094—dc23 2011042023
CIP also available from the British Library, GB.

Bibliographic information published by "Die Deutsche Nationalbibliothek"
"Die Deutsche Nationalbibliothek" lists this publication in the "Deutsche Nationalbibliografie": detailed bibliographic data is available on the Internet at <http://dnb.de>.

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INTRODUCTORY REMARKS

Caution: Brands at Work! Branding between Time, History, and Financial Markets

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1. How much is that brand? Defining and evaluating the brands

In early March 2011, when Bernard Arnault, the owner of LVMH, acquired the Italian jeweller Bulgari from the founder's family[1], the famous anecdote by the actor Richard Burton referring to Liz Taylor came to the mind of many commentators: "The only word she knows in Italian is 'Bulgari'. I introduced Liz to beer and she introduced me to Bulgari". Apart from the evident intent of the (fifth and sixth) husband of the movie star, who recently died, this expression can be considered the best introduction to evaluate the importance of a brand: a single word for an entire linguistic dictionary. Some years ago scholars involved in research about brand and brand value took a new direction: "a new dominant logic for marketing has emerged, shifting the focus from tangible to intangible resources, from frozen value to co-created value and from transaction to relationships".[2] To some extent we could argue that they were finally realizing the importance of that anecdote.

How to measure the value of a brand has always been an important issue in business activity, as well as in any approach to analyse it. In 1998 General Motors had record sales of 166 billion dollars; its capital was 229 billion dollars and in that year profits were 7 billion dollars. The same year Coca Cola's sales were just 19 billion dollars, while its capital was 17 billion dollars and the profits were around 4 billion dollars. Coca Cola market capitalisation was nevertheless four times

1 *The Lex Column – LVMH/Bulgari*, in "Financial Times", 8 March 2011.

2 L. de Chernatony, *From Brand Vision to Brand Evaluation. The strategic Process of Growing and Strengthening Brands*, Oxford, Butterword-Heinemann, 2006, p. 5.

bigger than GM market capitalisation. Commentators suggested that this trend had something to do with brand. In the case of Coca Cola brand equity was more than the double the GM brand equity. Specialists in this sector define brand equity as the amount of resources and costs connected with the name and the symbol of a brand, which are added to – or which must be deducted from – a product or service, to determine its intrinsic value. Nevertheless, analysts say that it is difficult to estimate the brand value precisely: estimates – they argue – can diverge by up to 30 per cent, probably too much to give force to this kind of evaluation.

Brand equity is one of the gifts of 1980's euphoria. In that decade of increased liberalisation and of a new image of the firm and of its values, the issue had great relevance. A large part of today's terminology in this semantic universe goes back to that period, which marks a milestone in the attitude firms, marketing strategists and advertising companies adopted towards the brand. Nevertheless, many commentators believed that this phenomenon was just another managerial fashion that could not last for more than a few years. But they were only partly right. In fact, in many industrial sectors there was a new discovery of brand awareness; a recognition of the perceived quality, the customer loyalty, and a strong brand personality with the most precise characterisation (brand associations) as being absolutely necessary to compete.

In the last 20 to 30 years increasing competition among firms and producers took the form of a price war. The proliferation of products of basically the same type, as well as the increasingly massive dimensions of the distribution structures, can help to explain the process that gave impetus to brand building. It appears clear at this point that it would be necessary to introduce a definition of brand among many of them.[3] The various definitions given to the concept of brand have their watershed in the 1990's, because the market complexity reached in that decade made obsolete and inadequate all the previous definitions (which were linked too strictly to the juridical definition and distinctive aspects of the trademark), failed to consider the functional and symbolic uses of the brand. We will be adopting the definition offered by de Chematony and McDoland, who wrote that brand is a product, a service a person or even a place, whose characteristics has been increased to such extent that the buyer – or the user – can perceive the uniqueness and the relevance of the added value his needs are encountering, and that this value can be

[3] See for example, B.B. Gardner and S.J. Levy, *The Product and the Brand, Harvard Business Review*, March-April 1955, pp. 33-39; D.A. Aaker, *Building Strong Brands*, New York, The Free Press, 1996; L. de Chernatony and M. McDonald, *Creating Powerful Brands in Consumer, Service and Industrial Markets*, second edition, Oxford, Butterworth Heinemann, 1998.

sustainable towards the competitors.[4] It appears evident, using that approach, that if on the one hand the brand has a legal owner, its "invention" and, even more, its perception includes – and needs – the customer, the client, or the user, who has a decisive role in building the image of the brand.

Definitions seem to be made in order to demand an immediate, yet reasonable exception. In May 1931 Neil McElroy, later US Secretary of Defense in the second Eisenhower administration (1957-1960), before becoming Chairman of the board of Procter & Gamble, was a junior marketing manager for the company. At that time he was responsible for the Camay soap campaign, which later became of the biggest success of the firm. In 1931 "Camay" was not the front runner for the company. "Ivory", another soap brand, was Procter & Gamble's main brand in this field and the advertising for that product used a slogan along the lines of "since 1897 99.44% pure". McElroy realised that the marketing strategy for "Camay" had no clear and unified direction and lacked coordination. The budget to promote "Camay" was irrelevant and its management was without continuity.

McElroy wrote a memo, which became a very famous document, and not only internally at Procter & Gamble. Specifically he proposed to set up a special team led by a "brand man", an assistant, and a number of others responsible for monitoring the market in order to detect every single movement that could be interpreted in order to adapt the commercial strategy for the product. Despite the fact that the memo did not mention it at all, one of the most important aspects of the innovative ideas of McElroy was that every brand must be in competition within the same firm. Business historians and advertising historians believe that McElroy's idea was not original, but it was inspired by what was happening inside General Motors, where already in the interwar period different brands of cars, such as Chevrolet, Buick, Olds Mobile, were competing against each other in the interest of the car maker.[5] With this in mind, it would be valid to ask if anyone has considered the hypothesis that Marcel Proust could have been included among McElroy's preferred writers. The French writer affirmed in the first chapter of *Albertine disparue*, the sixth volume of his *Recherche du temps perdu*, that "on peut faire d'aussi précieuses découvertes que dans les *Pensées* de Pascal dans une réclame pour un savon".

In the last lines of his entry on "fashion" for the *Encyclopaedia of Social Sciences* published in 1931, Edward Sapir wrote that "in

[4] L. de Chernatony, *Brand Management*, Aldershot, Ashgate Publishing, 1998.

[5] D.A. Aaker and E. Joachimsthaler, *Brand leadership*, New York, Free Press, 2000, p. 21.

contemporary society it is not fashion that men wear trousers; it is the custom. Fashion merely dictates such variations as whether trousers are to be so or so long, what colours they are to have and whether they are to have cuffs or not".[6] With some minor changes, this sentence could be adapted for the concept of brand. As David Aaker and Eric Joachimsthaler correctly put, McElroy was trying to find a solution to the sale problems, analysing data about sales and profits in each geographic zone into which the market was divided. This was the way to understand were the problems and the difficulties were greater.[7] They were indirectly saying that brands cannot even be considered without a strong marketing strategy. The interaction between these two levels is perfectly clear if one considers the evolution of the consumer behaviour in history and the adaptation of sales strategies.[8] One of the first analyses of this issue appeared in a book published at the beginning of the international crisis of 1929,[9] a period which can be considered a sort of watershed in brand and marketing strategy because of the sociological shift from a "production era" to a "sales era".[10] .

But more recently it has been considered that as well as historians speaking about a proto-industrialisation, one can also consider it reasonable to widen research into brands to the period before the industrial revolution.[11] This opens the door to a very elastic approach to the question, because the concept of brand becomes so wide – and finally generic – that it can be considered adequate also for non-commercial goods such as towns[12] (pushing some local authorities to

6 E. Sapir, *Fashion*, in *Encyclopaedia of Social Sciences*, Vol. 6, New York, Macmillan, 1931, p. 144.

7 D. Aaker and E. Joachimsthaler, *Brand leadership*, London, Free Press, 2000, p. 4.

8 See R. Tedlow & G Jones (eds.), *The Rise and Fall of Mass Marketing*, London, Routledge, 1993.

9 A.E. Levett, *The consumer in History*, London, Ernest Benn Limited, 1929.

10 S.C. Hollander, *The Marketing Concept: A Déjà Vu*, in *Marketing Management Technology as a Social Process*, edited by George Fisk, New York, Praeger, 1986, p. 7.

11 F.F. Mendels, "Proto-industrialization: The first phase of the industrialization process", in *Journal of Economic History*, Vol. 32, 1972; P. Kriedte, H. Medick, J. Schlumbohm (eds.), *Industrialization before Industrialization. Rural Industry in the Genesis of Capitalism*, Cambridge University Press-Cambridge, 1981; G. Richardson, *Brand names before the industrial revolution*, Cambridge, Mass., National Bureau of Economic Research, 2008; the topic is not really new: see for example B. Fine and E. Leopold, "Consumerism and the Industrial Revolution", in *Social History*, Vol. 15, 1980.

12 M. Greenberge, Branding *New York: how a city in crisis was sold to the world*, New York, Routledge, 2008.

imagine a possible income from the exploitation of such a brand)[13] or a whole country, especially if experimenting a wide and deep transformation, from the economic, social and cultural point of view.[14] The intellectual provocation of these proposals, as well as their impact on the institutions and the business community, is too big to be neglected, but does not belong to the topic we want to consider in these pages. Nevertheless the proposals indirectly show the extent the brand issue has been developed in recent years.

Most of the literature dealing with brands is suggesting a sort of American superiority in developing the concept and the economic strategies connected with it. The most recent economic studies of brand value seem to confirm this assumption, which is usually accepted by media and communication strategists, as well as by the advertising sector. A report published by the *Financial Times* shows in April 2008 that among the global top 100 brands, 54 belong to US firms, and just 31 to European ones, while the rest are spread between Chinese, Japanese, South Korean and Canadian firms. Among the top 10 European firms one is Finnish (Nokia, which is the only non-American among the world top 10), the other nine being equally divided between British, German and French. Among industry sectors, technology and luxury goods are clearly leading the most spectacular developments.

In its third year, this ranking has been strongly improved with a more sophisticated calculation of the brand value. First of all the author of the study, Milward Brown Optimor, determines the proportion of a company's earnings generated "under the banner of a brand". Later he subtracts capital charges to make sure that he's considering "value above and beyond what investors would require any investment in the

13 This is the case of Venice, which has been the first Italian city to couple an institutional symbol with a logo for commercial purposes and cause related marketing. The Venice trademark is positioned "alongside" the institutional symbol of the city, thereby assuming a complementary role: it represents the image of Venice around the world, further bolstering the value and the characteristics thanks to the objectives that distinguish the design. This is, as the website is asserting – a "trademark that represents Venice, along with the partner companies that value and support this city, in a shared journey of cultural, social and economic development". In the end "more than a trademark *of* Venice, it is a trademark *for* Venice" (http://www.comune.venezia.it/flex/cm/pages/ServeBLOB.php/L/EN/IDPagina/7320). For a wider approach to this point see S. Ansholt, *Branding places and nations*, in R. Clifton and J. Simmons *et al.*, *Brand and Branding*, The Economist Books, London, 2003, pp. 213-226 and of the same author, *Competitive Identity. The New Brand Management for Nations, Cities and Regions*, Palgrave-MacMillan, London, 2007.

14 J. Wang, *Brand new China: advertising, media, and commercial culture*, Cambridge, Mass., Harvard University Press, 2008.

brand to earn". This perspective permits a definition implying a bottom-up view of the earnings of the brand business.

The following step is focused on establishing, through a country, market, brand-specific and consumer-specific analysis the correct proportion of the earnings that can reasonably be attributed to the brand equity. This is what can be called the "brand contribution".[15] The purpose of this step is to introduce the appreciation of the different importance of brands according to the category of the product: very high in luxury, cars, or beer, for instance; much less for motor fuel, where price and location play a very important role. Even more, as markets develop, the role and the relative importance of brands can change, according to the evolution of the consumer priorities. But, as current research is strongly underlying, and as the old case study about the different brands coexisting – and competing – under the big umbrella of GM show, even in a strongly branded market, it is not absurd to find successful brands using a price strategy to compete strongly with the other brands.[16]

These evaluations are taken into serious consideration by finance and stock market analysts, because the Milward Brown Optimor results, mainly based on the Brandz database (part of the WWP Group, the parent company of Milward Brown Optimor) show that strong brands continuously outperform the market, in good and in bad conditions.[17]

There is room enough to say that brands cannot be ignored, if they have ever been. Brands can be considered the best example of a sort of economic Darwinism: only the "best" products survive in the long term, considering, as a French economic newspaper wrote some years ago, that eight out of ten products disappear in the first years after their introduction into the market.[18] And, in this context, most probably the

15 Almost twenty years ago Jean Noel Kapferer was affirming that the "identity" of a brand is much more important than the physical description of a product and it's a guarantee of consistency. But he immediately added that brands develop personalities. Symbolizing a set of values, including cultural values, brands reflect a consumer's image: not necessarily who they are, but who they probably would like to be or who the wish to be seen to be (J.N. Kapferer, *Strategic Brand Management*, London, Kogan Page, 1992, pp. 92-93).

16 J. Seddon, "How the ranking table is compiled", in *Financial Times*, Special Reports, 21 April 2008, p. 2.

17 S. Davoudi, *Strong names beat the market*, in *Financial Times*, Special Reports, 21 April 2008, p. 3. A more complex explanation of the calculation of brand value can be found in J. Lindemann, *Brand valuation*, in R. Clifton and J. Simons *et al.*, *Brands and branding*, London, The Economist in Association with Profile Books Ltd., 2004, pp. 27-45.

18 S. Peters and C. Briard, "Quand les marques soufflent leurs bougies", in *Les Échos*, 17 July 2006.

early success of a brand contributes to creating a barrier to entry for new firms trying to break in to an industry or sector.[19]

The most recent special report of the *Financial Times* on global brands shows that novelties as well as confirmation are increasingly characterizing this issue. In the 2011 top five global brands there are four firms – and brands – strictly involved with internet and electronics: Apple, Google, IBM, and Microsoft; the only exception being McDonald (ranked at the fourth place).[20] The impressive change in the last few years, and especially the leading brand of the Top 20 risers (Facebook, with a 246% brand value increase on the previous year), detect a very high volatile attitude of the ranking. The success of new mass high-tech products like the tablet explain only partially this trend.[21] What seems increasingly clear is a sort of mirror effect. Brands more and more are like fashion: changeable, according to seasons (the world economic outlook) and to inspiration (are we facing a new internet bubble? there are already signals going into that direction). But one has to cope with. The risk is to be considered old fashioned, a qualification that today nobody is willing to accept.

The discussion shows that a synthesis is needed between the main brand evaluation models, the research-based evaluations (that underline the importance of measuring "customer behavior and attitudes that have an impact on the brands") and the financially-driven approaches (that enlarge the calculations to many factors, such as the value of the brand in itself, the value of the fixed assets, and of some other intangibles), the former being important if not decisive for "companies that base their growth on acquiring and building diversified brand portfolio",[22] such as LVMH, which is controlling some of the most famous luxury brands like Dior, Louis Vuitton, Moët Chandon, and Bulgari. Bernard Arnault, chairman and chief executive of LVMH, expressed this point in an interview after the acquisition of the Italian jeweler: "it is not that we simply wanted to add yet another brand to our portfolio. We already have so many great brands and we are not looking to make another acquisition just for the sake of it". Considering that one of the two other family owned brands, Chanel, is still privately held and not for sale, the

19 V.N. Balasubramanyam and V.N. Nguyen, *Structure and performance of the UK food and drink industries*, in "Journal of Agricultural Economics" Vol. 42, 1991; V.N. Balasubramanyam, *Entrepreurship and the growth of the firm: the case of the British food and drink industries in the 1980's*, in J. Boown and M, Rose (eds.), *Entrepreurship, Networks and Modern Business*, Manchester, MUPO, 1993.

20 Cf. *Global Brands. Special Report*, in The Financial Times, 19 May 2011, p. 2.

21 L. Kucas and B. Jopson, *Big names fly high despite the gloom*, *ibid.*, pp. 1-2.

22 Cf. P. Kotler – W. Pfoertsch, *B2B Brand Management*, Springer, Berlin, 2005, pp. 123-124.

journalist concluded that "M. Arnault is probably hoping that the Bulgari deal might persuade the Hermès family", to reconsider his offer for a takeover after his acquisition of the 14.2% of the capital in October 2010, and the further increase of his stake in January up to 21.2%.[23]

2. Brands in Old Europe

To what extent are European brands part of this phenomenon? Is it possible to perceive the existence of a sort of European touch or European style in branding? Most probably, the answer is positive, but one should also immediately add that there is no European speciality in this field, because everywhere in the world brands play the same role: attracting the customer, confirming his loyalty, and introducing economic, social, and cultural differences in the market.

Brands tend to be global, but not all of them are really able to be so. If the Big Mac is a real global brand which has not yet found a challenger, as suggested by some case studies, most of the brands stop at the border. There are invisible barriers built not by the state and/or the competitors, but by the customers themselves. So brands have to change their qualities to gain the support of the market. Ulrich Lehner, the chief executive of consumer products group Henkel, is convinced that consumers want to buy the same thing with the same name all over the world. But the reality is sometimes different. Everyone who has had experience travelling knows that the same product in the same packaging, using the same advertising campaign can have a different taste if you buy it in the US, Russia, or Japan. The strategy is to adapt the product to local taste.[24] But what do, say, Italian, Greek and Turkish consumers have in common when they buy toothpaste, considering their differences in terms of economic, cultural, and religious backgrounds, if you consider that some products are prepared and packaged in a divisionalization process which exalts geography and a common sense of belonging to the Mediterranean Sea?

European firms have a long tradition of building their image through and/or thanks to brands. Some years ago one of the first books on branding suggested that modern-style brands are one of the gifts of the

[23] P. Betts, *King of luxury jungles gets his teeth into Hermes*, in "Financial Times", 27 October 2010; S. Daneshkhu, *Wandel and Lafonda fined for swaps raid*, in "Financial Times", 18 January 2011; *Bulgari is new jewel in LVMH crown*, in "Financial Times", 8 March 2011.

[24] Cf. G. Wiesmann, "Brands that stop at the border", in *Financial Times*, 6 October 2006.

late 19^{th} century and pioneered the idea that the power of successful brands is built on quality products and services.[25]

The academic literature is full of examples showing an important factor: the changes brought about by the Americanization process after WWII play a crucial role in defining – or re-defining – the contents and the features of the brands, although they first appeared much earlier. In fact, the appreciation of the brand, especially in consumer products, is one of the effects of the Americanization of mass consumption or, in some cases, the export to some European countries of this model.[26]

In 1967 the Association des Industries des Marques (AIM) was founded in 1967 in Brussels by 6 western European national associations of branded goods manufacturers. Europe's arrival in this field was quite late compared to the United States, where in 1878 the United States Trademark Association (USTA) was established in New York City by 17 merchants and manufacturers "to protect and promote the rights of trademark owners, to secure useful legislation and to give aid and encouragement to all efforts for the advancement and observance of trademark rights".[27] But if one considers the very early examples of organisations with the aim of protecting intellectual ownership and therefore, in a way, the brand, it would be impossible not to mention the Union des Fabricants, which was founded in Paris in 1872. The aim of this organisation was a sort of anti-fake battle, since most of its founders were French pharmaceutical producers fighting against the fake products counterfeited in Germany.[28] USTA later changed its name to INTA, becoming an international non-governmental organisation, and by 2008 had grown to more than 5,500 member companies and firms from more than 190 countries.[29]

Some aspects of these organisations developed out of other international organisations, especially through international conferences.

[25] Geoffrey Jones and Nicholas J. Morgan (eds.), *Adding value. Brands and marketing in food and Drink*, London-New York, Routledge, 1994.

[26] Dominique Barjot (ed.), *Catching up with America: productivity missions and the diffusion of American economic and technological influence after the second world war*, Paris, Presses de l'Université de Paris-Sorbonne, 2002; Matthias Kipping and Nick Tiratsoo (eds.), *Americanisation in 20th Europe: economics, culture, politics*, Villeneuve-d'Ascq Université Charles-de-Gaulle Lille 3, 2002; V. De Grazia *Irresistible empire: America's advance through twentieth-century Europe*, Cambridge, Mass., Belknap Press of Harvard University Press, 2005; H.G. Schröter *Americanization of the European economy: a compact survey of American economic influence in Europe since the 1880s*, Dordrecht, Springer, 2005.

[27] Cf. http://www.inta.org/index.php.

[28] Cf. http://www.unifab.com.

[29] http://www.inta.org/index.php.

The most relevant is certainly the Madrid agreement signed in 1891, which gave birth to the World Intellectual Property Organization, whose activities and fields of intervention are larger than those concerning only trademarks. Nevertheless it is quite impressive to note that the number of brands and trademarks registered since the founding of the organization grew from 76 in the first year to more than 60,000 in 2008. This takes into account, for that year, the combined total of new registrations and the renewal of some old ones, the latter of which has shown a very positive trend in the last decade. In fact, since 2004 the two different types of registration have stood more or less at the same amount of units.[30]

The period was a very important one for the consolidation of the business organisations working as pressure groups in Brussels. In the 1950s the representatives of the industrialist associations of the six members countries that signed the Rome Treaty set up UNICE, the federation of the entrepreneurial organs of those countries. Its activity was aimed at interacting both with the Commission and all its branches, especially the Directorates General dealing not only with the economic integration process, such as the tax homogenization process, the transportation system among the Six, but also their mutual industrial relations. The Rome Treaty paid special attention to all the social aspects of the industrial relations and the decisive role in that aspect was played by the Economic and Social Committee of the Economic Community. The role given to that organ was just a consultative one, because its members were not only representatives of the industrials and the trade unions, but also of agricultural, commercial, and professional interests.

This attitude, probably considered too ecumenical and too much tied to the Brussels rituals of many European organisations, pushed a part of the big European industries to build a more informal, but probably more efficient forum of debate and to undertake concrete initiatives related to the European institutions. In 1967 some of the most important European industrialists (among them, just to quote some of the most known: G. Agnelli for Fiat, L. Brower for Kon. Nederlandse Petroleum, F.J., Philips for N.V. Philips, P. von Siemens for Siemens, A. de Vogue for Saint Gobain, W. Baumgatner for Rhône-Poulenc, the Baron Boel for Solvay, L. Pirelli for Pirelli Tyres) set up what they called the "Group for the MEC industrialists". They were also representatives of some of the most important European brands, which were starting to be considered as a sort of business card of the "new" Old Continent. This

[30] Cf. International Bureau of the World Intellectual Property Organization, *WIPO Gazette of International Marks, Statistical Supplement for 2008-13th year*, Geneva, 2009, pp. 3-4.

organization did not want to destroy the UNICE, but just to have a more direct dialogue with the European institutions and their bureaucrats.[31]

The AIM was set up along the same philosophy, although in this case its presence could be more understandable, considering that in UNICE the issues in which the brands association was involved were not among the first points on the agenda. In the last twenty years its activities developed much more rapidly than before. In 1990, with the gradual achievement of the single market, AIM's members decided to expand the association's activities significantly to cover all issues impacting the ability of manufacturers to design, market, distribute and sell their brands. Under the new conditions of the post 1989 Europe, with the reunification of the European market, the association extended direct membership to individual companies active on a European scale. In many Eastern European countries sister associations were set up. Today, through its network of national branded product manufacturers' associations and corporate members, AIM is considered in many ways to represent the vast majority of European manufacturers of everyday consumer goods.[32]

3. The difficult task for the business historian

The chapters we have included in this book were presented in a conference organised in Warsaw in March 2007 by the Institute for Corporate Culture Affairs together with the Kozminski University. The fact that a meeting on brands and their role in building the image of European firms was organised in a former socialist country gives a limpid impression about the changes from the beginning of the 1990s in the international economy. One of the chapters of this book, written by Mariusz Jastrząb, is the implicit answer to the question about the continuity-discontinuity issue with trademarks and brands in a non-capitalist society: the question was, for a while, put on a secondary stage, but was neither abandoned nor eliminated even in the darkest days of real socialism. The most recent research into the social history of consumption confirms that even in socialist countries, at least from the 1960s onwards and particularly for East Germany, the question was crucial for the social and political stability of that part of Europe.[33]

[31] L. Segreto, *L'UNICE et la construction européenne (1947-1969)*, in Antonio Varsori (ed.), *Inside the European Community. Actors and Policies in the European Integration 1957-1972*, Nomos Verlag/Baden-Baden and Bruylant, Bruxelles, 2006.

[32] European Brands Association, *About*, http://www.aim.be/history.htm [Accessed 23.03.2011].

[33] F. Feher, A. Heller, G. Màrkus, *Dictatorship over Needs. An Analysis of soviet Societies*, Oxford, 1984; M. Landsman, *Dictatorship and Demand. The Politics of Consumerism in East Germany*, Harvard UP, Harvard, 2005. M. Lemke (Hrsg.),

All the chapters deal either with one particular brand, or in some cases a whole product sector (for example champagne) or multiple sectors linked together by common features (for example luxury products), which can be considered a basket of brands and the image of a socio-economic and cultural brand when taken together. The image of European firms shown by the approach proposed thanks to this conference is extremely dynamic, and has no need to envy the historical American examples. From the French luxury products (a European invention, the French would say a French invention, in any case later "Americanized"), analysed by Hubert Bonin to food goods, thanks to the analysis by Peter Miskell of one of the most productive successful multi-brand makers, Unilever; from one of the most famous images/brands in the world, *Bibendum*, depicted in the chapter on Michelin presented by Dominique Barjot and Francesca Tesi; to champagne, as a whole product sector scrutinized by Claire Desbois-Thibault; from the new Spanish brands in the textile industry (Zara), offered by Xoán Carmona and shoes (Camper), in the paper given by Carles Manera and Jaume Garau-Taberner to the (apparently) old symbol of Switzerland, the chocolate industry, studied by Laurent Tissot, and finally to one of the most important sectors today of the "Made in Italy" tradition, the fashion world (see the chapter by Francesca Merlo), all the contributions reaffirm an important point: the trajectory does not look different from one country to the other, or from one sector to the other. A severe process of selection lies behind the success of any single product or any single brand connected with the firm analysed. This element shows a relative stability in time and space, suggesting the force of that phenomenon.

More difficult is the task for researchers when they are looking for a sort of European genesis of the process or, more recently, when they are trying to build a sort of relationship between the building of a brand and the stabilization of a firm. Too many aspects have to be considered, and the longer the story of a brand is successful (*Bibendum* is the best example), the wider the arena for non-economic considerations in establishing a strong leadership. The complex history of the 20th century, with economic booms and crises, two world wars, the development of the European integration process, just to mention some of the most important elements, puts different ties to firms and brands, according to the year when the firm was established, and when the brand was conceived and developed. If the economist works on this point like Aristotle, imagining just a two dimensional plane, the economic and business historian is part of the Copernican revolution, sailing with Columbus leaving behind the Herculean columns of Gibraltar behind him, accepting a tri-dimensional, i.e. a more complex vision of space, where time plays a fundamental role.

Schaufenster der Systemkonkurrenz. Die Region Berlin-Brandenburg im Kalten Krieg, Köln, Weimar, Wien, 2006; on the relationship between standard of living and consumption see J.R. Zatlin, *The Vehicle of Desire: the Trabant, the Wartburg and the End of GDR*, in "German History", 3 (1997), pp. 79-90; K. Pence, and P. Betts (eds.), *Socialist Modern: East German Everyday Culture and Politics*, Michigan, 2007; Marcello Anselmo, "La frontiera porosa. Consumo di massa e consumo informale prima del Muro", in *Passato e Presente*, No. 75, 2008.

The ingredients for a successful story are thus similar and in the meantime very different in time and space. This assumption explains the need for a history of brands and branding. The conference held in Warsaw offered many case studies. Business historians have wonderful but also a very much hard work to do. The factors governing the customer's choice are numerous. Most of them depend on a precise and sophisticated advertising ad-positioning campaign. In most cases the customer is totally unaware of all the underlying dynamics. Firms are usually selling much more than a product or a service: they are selling an image, sometimes a dream.

When we cross this frontier, trying to understand this process, we are in a very complex and contradictory territory, where price is just one of the elements of the product on which choices of the market are made. Hazard, chance, even the strange or the apparently ridiculous but terribly likeable (*Bibendum* is called once more to testify) play an enormous, if not decisive role.

Historians come later, and are faced with a very different situation. Commercial and/or advertising departments in big firms sometimes have too much material and evidence, and most of this is difficult to manage or irrelevant for the business historian. Brand is connected with advertising, and advertising managers, art directors, and creative people have an artistic temperament, but most probably very few documents to put at the disposal of the business historian.

The search for sources, as many of the following chapters show, implies a wider tour, which must include a visit to very different published sources, such as women's weekly magazines, sport magazines, or radio and TV archives to listen and watch old adverts. In Europe the situation connected with the approach to these sources is quite complex and difficult. A better situation can be found in the United States, where firms started much earlier to keep their archives and where branding and corporate image already have quite an old story to tell.

Some of the cases (especially the Spanish and the Italian examples) deal with relatively young firms (no older than 30-40 years). In other cases, such as Nokia, the firm is much older, but its positioning and brand is totally new or is associated with a new technology, sometimes with a new product. In some other cases, even when the information is available, firms are quite restrictive in accepting requests for access to the archives, considering that all the information about brand and positioning can be even more sensitive than material concerning costs or research and development strategies. Many cases scrutinized in this conference show that brand companies have a very severe policy in order to control any source of information about them. They know perfectly well that any single affirmation about them – even in a very different context, for example a conference, rather than a TV programme – could have an influence on their image.

The sponsorship issue is strictly connected with the brand. Among the cases discussed in the Warsaw conference, Michelin represents the main case to show the interrelation between these two very close fields, at least in recent decades. Sponsoring sport events is one of the main channels today to propose or to reinforce brands and corporate image. If not well-balanced and appropriate, this strategy could also be counter-productive: the most famous examples are linked with the *Tour de France* and the dissociation by the firms sponsoring a cycling team where one or more cyclist were stopped because of the use of doping. In a sense the end of this conference, and the publishing of the proceedings, are the bridge for a new conference, where all the economic aspects connected with sponsorship in sport, mainly but not exclusively in football, will be taken into consideration.