

Branding and brand building in decades past was an easily understood concept. Today, however, it has grown into a much more complex exercise, almost becoming a warehouse for sometimes conflicting corporate and marketing aims as well as the subject of books which confuse brands with attacks on capitalism. In this article, Richard Village of consultants Interbrand aims to add some clarity to current thinking.

The b-word in an obstacle-filled global shopping mall

If ever there was a term that needs some clear definition, it's the b-word. Currently it's everywhere. You can't open the papers or turn on the television without being told that something or someone is being rebranded, or that brands are the new global currency, or that brands are in fact dead, or that they are somehow involved in some sinister plot to take over the world. Certainly branding has moved into politics as the population of Britain has come to see when it bought into the present prime minister's New Labour branding exercise. It raised the profile of branding, moving it out of the 'safe' hands of fmcg* marketeers into a much wider arena. Maybe you think that this takes the concept of branding down roads it has no business going, but it does demonstrate quite how significant the concept has become.

At a very basic level, brands help us to distinguish different companies, products and services. At a more sophisticated level, brands are a combination of the different experiences we have of those companies, products and services, which help us formulate our impressions of them and encourage us to have an engaging relationship with them. Brands allow companies to tell their customers, most significantly, why they are different and unique from their competitors.

You start talking about a company or product that you know quite well with a friend and, very quickly, you start to talk about the business in the same sort of terms you would use to describe people. It is a truism that, in the vast majority of cases, we use casual, everyday, emotional vocabulary to describe the products with which we interact. I am not naïve enough to imply that the functional aspects of a company aren't important, but if you think about how we distinguish our impressions of different businesses, it's the emotional words that are the ones we tend to use to tell them apart.

Two phrases from the recent Brand New exhibition at London's Victoria & Albert Museum best capture why the emotional, intangible aspects of a brand have become so significant: "All the world is a store" and "the world is not just a stage, it's a shopping mall." As that much-talked about market place gets more and more crowded, more and more people are essentially trying to sell comparatively similar wares. The ones that we ultimately buy will be the ones that convince us that they are somehow special, with an emotional pull on us, ones that we can develop a better relationship with.

The global mall

The 'global market as shopping mall' analogy is sound. What's more, its customers are unbelievably discerning and sophisticated and are no longer prepared to accept traditional perceptions about what, where or how they should buy. Product sector boundaries, geographical boundaries, transactional boundaries and the boundaries of delivery mechanisms are all shifting. In order to stand out from the crowd, any brand will have to touch the consumer on a number of different levels. But with so many things to think about and an obstacle-filled global shopping mall in which to compete, how does it go about doing this?

If we look at some of the world's most successful brands, it is no coincidence that people from different societies and different backgrounds will all think the same things about brands as diverse as Nike, Starbucks, Disney and BMW. The thing that unites them and allows such a global reaction is that they have an incomparably clear idea of what they are in business for and communicate this in absolutely everything they do.

To survive and thrive, a brand has to have a distinct, coherent, differentiating brand idea that has to permeate the entire organisation, its internal structure, the philosophy behind its product development and the way it communicates with its customers. As someone once said, no clear vision means no clear future, and no clear future spells trouble, particularly when talking about the sportswear industry.

Trying to control all of the elements that have to express your core brand idea can be notoriously difficult for clothing brands. A whole host of elements, from the product itself, its advertising and PR, to more subtle elements like customer service and product presentation go to create the consumer's overall impression of the brand, and prompt that all-important emotional response. In retail, with its long, complicated chain of customer expectations to manage, being able to effect this impression consistently is notoriously difficult.

When we throw into the equation the vagaries of fashion, things become even scarier. Without a strong brand idea and careful planning that can keep interpreting new trends and emerging directions, the most prized branded garment on the block can become obsolete in a flash.

In the sportswear market, we see some powerful brands, with powerful retail and communication strategies that would suggest that they too have a very clear vision of what they stand for and understand the direction they're going in. We cannot really underestimate the impact that the sportswear market has had in the last ten years. The increasing importance of leisure has seen a considerable blurring of traditional clothing boundaries. Top designers have sent models down the fashion catwalks wearing trainers, performance fabrics have replaced traditional staples like denim as the fabric of choice for leisure clothes. Understandably, the brands that started manufacturing technical clothing or footwear have capitalised on this and moved closer to the fashion end of the market.

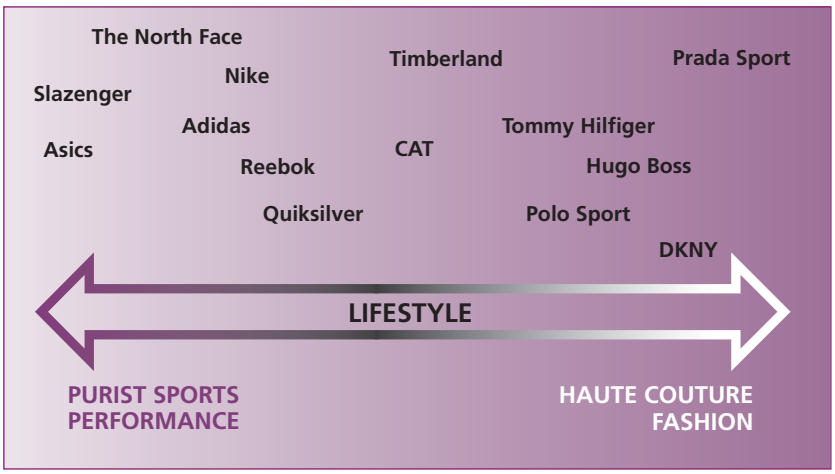


Figure 1 shows the positioning of sportswear brands from purist sports performance to high fashion.

Just as shoulder pads and flashy labels stood for the 1980s, so sportswear and performance brands stand for the 1990s and early 2000s. Fashion and sports have become, it would seem, inextricably connected, something that has been translated into their brand communication strategies. The brands have followed a classic fashion communication technique and linked their products to celebrity. The celebrity sports star has joined the ranks of the movie star or supermodel in the consumer's perception. Significantly it shows just how much the frontiers of traditional perceptions of the world of sport have shifted.

Who's who and what's what

What are the wider implications of these shifts for activewear brands? In the beginning, sport was sport and fashion was fashion and everyone knew where they were. Now that sport has become fashionable, there is a certain amount of blurring as to where on a sliding scale of performance and fashion some of the brands that produce sportswear sit (see Figure 1).

Between the brands that are still purist in their delivery of performance product and the high fashion brands that have leapt on a convenient bandwagon and produced real designer trainers, there are a host of brands, professing different positionings and all competing for a share of the market. This raises several questions. Are they in fact differentiating themselves? Are their positionings credible? Are they skilfully taking advantage of the blurring between sports, leisure and fashion goods or are they following one another with generic positionings to try and maintain some commercial lead?

A recent *Marketing Week* article highlights the balancing act Nike and adidas are managing between performance and fashion: "Nike is a sport heritage company. The shoes never stray from being sportswear. We do not set out to target the fashion market, but it is a different matter if consumers buy a trainer if it looks good."

"Adidas is the oldest and most authentic sportswear brand. We've never targeted the fashion market since that market has itself

embodied sport."

The two giant brands are quite clearly capitalising on the fashion/sport preoccupation and, with massive marketing capabilities, they can afford to take a high-brow position. Some of the smaller brands, such as Reebok, are more pragmatic about the mixed market they need to operate in.

But if clarity of vision and direction is the key to success, is this apparent ambivalence a safe strategic option? In the cut-throat shopping mall of today's market, no-one can afford to rest on his laurels and surprise threats can emerge to upset the business balance. Without wishing to be a harbinger of doom, here are some "what-ifs" to consider.

Backlash survival

How would the brands ride a fashion backlash? Fashion always changes and without very careful planning to foresee and interpret new trends through product and communication, even the most powerful brands can be left behind. I know it seems impossible now, but a time could come when people don't want to wear sportswear any longer unless they're playing sport. Now in a downturn like that, the brands toward the fashion end of the spectrum are fine, they just go back to their little black dresses, but could the existing brands in the performance-centre part of the chart manage to sustain their present position?

If everyone is jostling for a middle way positioning between performance and fashion, does what they stand for become confused and their point of difference ultimately come down to product? Will they ultimately fall between two perception stools, not performance enough for the sports set, not cool enough for the fashionistas?

And would this in turn leave little chinks of opportunity for competitors from both ends of the spectrum? Brands like Prada and DKNY are already trying to gnaw away at the fashion end of the market. It would not take too much for brands that exist only in the performance end to reclaim and develop a totally purist positioning. But what would it do to their balance sheets?

What if there was a backlash against the big brands? In purely fashion terms, this is already happening. Of course, for smaller truly technical brands this could prove to be a godsend, but for the big names, it might become really problematic. At the top end of the market, the boutique brand is making a comeback at the expense of larger branded outlets. Customisation is a rapidly developing trend in many sectors. Consumers clearly want a more intimate relationship with the clothes they wear and with the brands they buy them from.

In ideological terms, that backlash is potentially more serious and more damaging. Naomi Klein's assertions in her book *No Logo* have struck a chord, certainly with media commentators, and, coinciding as they have with a rise in anti-corporate, anti-capitalist activism as witnessed most recently in Genoa, seem to be heralding a new balance of power that brands must understand if they are going to flourish in the future.

There are elements of Klein's argument that all of us in this particular world would do well to consider. In the perceived absence of supra-societal structures, the world's leading brands have an unparalleled global reach and potential to influence their customers. Of course they do - they're very successfully playing out just what this article has been advocating throughout: communicating and controlling a strong brand idea that affects everything the organisation does as well as their customers' experiences.



Figure 2 shows that visible brand elements are not the only business attributes that influence brand value.

Understanding relationships

If good branding is all about developing an emotional relationship with customers, the lesson we must take out of Klein's argument is that brands will have to understand that the relationship is, like every other, a two-way affair. If we are to accept her central premise, organisations now function by selling ideas/relationships rather than products, then it seems perfectly understandable that consumers will turn against the brand if they do not approve of the way you behave, just as they would if they didn't like the product. Exploitative labour and ecological questions are just two issues surrounding sports brands that consumers have shown, with their wallets, they feel very passionately about. Whether one is ultimately cynical or not about new ideas of corporate responsibility, behaving as your consumers expect is the pay-off brands will have to pay for owning their hearts and minds, something many a marketing strategy proposes they do.

Nevertheless, it would be wrong to suggest that the future wasn't bright for sports brands. They are booming and their success has been one of the most important stories of the past decade. Last year Interbrand brought out a book entitled 'The future of brands', based on interviews with leading figures in companies with international brands.

Some very common views emerged, particularly in terms of which business categories people felt were strong contenders for survival and expansion - many predicted an even greater explosion of the leisure business and the concept of new adventure in particular. Good news for the sports activewear industry and it would be fair to assume that the ubiquity of sportswear is here to stay. With a clearly focussed idea of what it stands for and strong consistent communication that touches the consumer emotionally, sportswear brands will be as good a bet as any.

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