Advance praise for **Brand Society**

'This is a stupendous piece of work. It's both academic and pragmatic. It ranges from forbidding high theory to easy-reading case studies. It's great. Without question, it'll go down as a landmark study of brands and branding.'
Stephen Brown, Professor of Marketing Research, University of Ulster

'Max Weber argued that modernity was a process of disenchantment; on the contrary, argues Kornberger, in this evocative and important study: modernity is a realm of continuous re-enchantment. At the centre of the enchanted webs spun in modernity is the brand – and the *Brand Society* – explored through a rich collage of philosophy and social science, a virtual anthropology of the organized seduction of our being, as Jonathan Richman said, in love with the modern world.'
Stewart Clegg, Professor and Research Director of CMOS, Faculty of Business, University of Technology, Sydney

'Rethinking brands means rethinking marketing, reconsidering the implications of organizational culture and organizational identity, displacing the usual assumptions about the relationship between production and consumption – in short, turning many of your major preconceptions about economic life and society inside out. Kornberger offers a glorious, thought-provoking ride – from branding a city in Scotland to quotations from esoteric philosophers to Cubism and Google's CEO Eric Schmidt. Buckle up and enjoy the ride.'
Joanne Martin, Fred H. Merrill Professor of Organizational Behavior, Emerita, Graduate School of Business, Stanford University

'This book provides fascinating insight in the tremendous value of well-managed brand transformation programs. It leaves no stone unturned and covers in a very balanced way the diversity of both the internal cultural aspects and the external brand community building. Great food for innovative brand thinking and for concrete brand activation!'
Ruud Polet, Global Brand Marketing Manager, ING

'In *Brand Society* Martin Kornberger takes you on a compelling ride through the new landscape of branding. From the clothes we wear, to the companies we work for and the society we live in – this exciting books argues the importance of branding and why we should care. From evocative cases and bold conceptual arguments, Kornberger makes the point that consumption and production of brands are intertwined

and shows how this transforms the way brands are being consumed and produced. This book leaves food for thought for both brand aficionados and those with a stake in creating or analyzing brands.'

Majken Schultz, Professor, Copenhagen Business School, and co-author of *Taking Brand Initiative*

Brand Society

Brands are a *fait accompli*: they represent a mountain range of evidence in search of a theory. They are much exploited, but little explored. In this book, Martin Kornberger sets out to rectify the ratio between exploiting and exploring through sketching out a theory of the *Brand Society*. Most attempts to explain the role of brands focus on brands either as marketing and management tools (business perspective) or as symptoms of consumerism (sociological perspective). *Brand Society* combines these perspectives to show how brands have the power to transform both the organizations that develop them and the lifestyles of the individuals who consume them. This holistic approach shows how brands function as a medium between producers and consumers in a way that is rapidly transforming our economy and society. That's the bottom line of the *Brand Society*: brands are a new way of organizing production *and* managing consumption. Using an array of practical case studies from a diverse set of organizations, this book provides a fascinating account of the way in which brands influence the lives of individuals and the organizations they work in.

Martin Kornberger received his PhD in Philosophy from the University of Vienna. Currently he holds a joint appointment as Associate Professor in the School of Management and the School of Design at the University of Technology, Sydney. He is also a visiting professor at Copenhagen Business School and co-founder of the leading branding agency PLAY, where he was co-director from 2003 until 2008.

Brand Society

How Brands Transform Management and Lifestyle

Martin Kornberger

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For Jessica

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Preface

Proposition

Brands are a *fait accompli*. They are much exploited, but little explored. This book is about rectifying the ratio between exploiting and exploring through sketching out a theory of the brand society.

Why the brand society? On the most basic level, brands are a phenomenon that links and reorganizes the two fundamental spheres of production and consumption, which have been separated since the Industrial Revolution. Brands fundamentally transform how we manage an organization's identity, how we think of its culture and how we organize innovation. Simultaneously, brands transform the politics, the ethics and the aesthetics of consumption. Brands traverse society on the diagonal: following them means moving sideways, from production to consumption, from management to lifestyle, and back. Following this movement, the book turns into a treasure-hunt map rather than a surveyor's chart that measures a well-known, established territory.

Where to start? The good thing is that everybody experiences brands as part of their lives. That's also the problem: the things that are closest to us are often the most mysterious and unknown. When I started thinking about brands, I thought of products. Then, I tried to see them as images, as packaging, as a way of dressing things up that is certainly costly, maybe manipulative, but ultimately inconsequential because it's superficial. It was a thought by Mary Douglas and Baron Isherwood that, for me, suddenly turned brands into something else, something more: 'Forget that commodities are good for eating, clothing, and shelter; forget their usefulness and try instead the idea that commodities are good for thinking; treat them as a non-verbal medium for the human creative faculty.'[1]

How can we understand brands as a non-verbal medium for thinking? How does a brand's combination of magic and logic work? It can be expressed

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[1] Douglas and Isherwood, 1979/2005: 40–41.

as a formula: brand = functionality + meaning. 3M is innovation (not Scotch tape); Disney is entertainment (not just movies); Lexus is luxury (not just a means of transportation); Nike is performance (not just shoes); and so on. How right Marx was when he said that a commodity appears at first sight to be a trivial thing, but looked at again, 'it is a very strange thing, abounding in metaphysical subtleties and theological niceties'.[2]

But brands are more than a means to fight our 'status anxiety' with an ever-increasing number of status symbols.[3] They are props and scripts that help us to perform our identities. In fact, brands are ready-made identities. They are so mashed up with our social world that they have become a powerful life-shaping force. Here's our suspicion: with the concept of lifestyle, brands have become the dominant blueprint that fundamentally shapes the way we live our lives. Lifestyles are patterns that shape our taste, behaviours, action, preferences and beliefs; they are like a mosaic made up of individual brands.

But brands don't just transform society into lifestyle tribes. We shape brands as much as they shape us. In fact, without us as their silent partners in crime, they would not exist at all. When *Time Magazine* announced its Person of the Year in 2006, it was *You – You* because you started to generate content, watched each other's movies on YouTube, viewed each other's photos on Flickr, programmed your own personality in Second Life, became an instant expert on Wikipedia and ran your own retail shop on eBay.

What was *Time Magazine's* excitement about? For the first time, technology enabled people to effectively challenge and circumvent the privileges of organizations as producers of content. Passive consumers turned into co-producer-activists. In this new world where everybody can up- and download their fifteen minutes of fame, social organization centres around interaction between individuals and businesses: markets are conversations in which interaction drives transaction.

Brands are the interface for this rapidly expanding conversation between consumers and producers. The result is a radical new configuration of production and consumption: the monopoly of organization is being subverted by the creativity of the networked community.

But an interface is not simply a mechanism for connecting two separate entities. Rather, it changes the way both sides operate. So do brands; they have a fundamental impact on the way organizations are managed. Brands

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[2] Marx, 1867/1976: 163; of course, Marx saw the reason for the fetishism of the commodity as result of the social character of labour, not consumption.
[3] De Botton, 2004.

function as the new organizing principle for business; they enable the conceptualization and design of business from the outside in. Rather than following the old model of closed, inward-looking and technology-centred companies, brand-driven organizations maximize their surface area in order to have maximum contact with their environments. That might make them superficial, but it definitely makes them more engaging (and entertaining).

In short, brands become an organization's lifeline to the external environment. As such, they fundamentally challenge how we think about the identity of organizations, their culture and their capacity to innovate. Branding becomes a new management framework that turns old wisdoms upside down by conceptualizing the organization from the outside in.

That's the bottom line of the brand society: brands are a new way of organizing production *and* managing consumption. As the dominant story goes, we moved from a society of producers to a consumer society (roughly beginning in the 1920s and 1930s). The shift, so we're told, occurred when society changed from a focus on production towards a focus on consumption. This thesis divides the world into production and consumption.

What we suspect, however is that the transformation of the past from producer to consumer society has fundamentally changed the nature of both production and consumption. Our key point is that brands turn consumption into lifestyles that can invent and subvert the order of things. At the same time, brands become a mechanism for managing organizations. In this scenario, the brand becomes the central axis for organizing production and managing meaning. The brand is the interface between production and consumption that transforms the economy and society.

Design

Brands are a fact looking for a theory. The phenomenon has been ignored by management (which has been too focused on the organization of production), marketing (which has been too focused on serving the powerful and institutionalizing itself as part of the brand society), economics (theoretically, in a perfect market, brands should not happen, period) and sociology (which has been too absorbed with the consumer-society thesis).

This book is designed like three overlapping concentric circles that feed off these disciplines. Part I introduces the topic (Chapter 1), makes sense of the concept of brands (Chapter 2) and offers some glimpses into the black box of brand-making (Chapter 3).

Part II explores brands' impact on how we manage and organize. We argue that organizational identity, one of the key concepts in current management theory, is managed and enacted through brands (Chapter 4). We suggest that brands reframe organizational culture as a linking mechanism between internal cultures and external brand communities, engaging both in the co-creation of value (Chapter 5). Finally, we take a look at how innovation that is organized around brand communities moves from closed to open (Chapter 6). Branding fundamentally changes how we think and manage identity, culture and innovation. Put simply, branding is the catalyst for these seismic shifts in the organization of production.

The third part of the book explores how brands transform consumption. The central concept is that of lifestyle. Through lifestyles, brands become hegemonic engines of plurality. Brands thrive on difference and diversity, not on conformity and control. This paradox delineates the space in which we will discuss the politics (Chapter 7), ethics (Chapter 8) and aesthetics (Chapter 9) of brands.

Depending on which side of the fence you stand on, you will see in brands a symptom of the ongoing colonization of our lives, an extension of Empire or the subsuming of human creativity under capital (that is, exploitation). On the other side, you can see brands as the avant-garde of a participatory democracy in which people vote with their dollars. Brands span both sides. As such, brands need to be analysed as a new set of practices, as a new technique of managing, as a new form of what Foucault has described as 'governmentality'. Such new forms are neither good nor evil *per se,* but they may well be dangerous. What is needed is not a value judgement about brands but an analytical apparatus, a theoretical language that enables us to understand the magnitude and the intensity of the transformation brands bring about.

Modus operandi

Theories make bad brands: they're abstract; they lack real-world relevance and hence are of little use. No wonder most books fulfil the ironic function that Daniel Dennett ascribes to them – of being just a library's tool for creating another library.[4] The *zeitgeist* asks for practical theories and real-world solutions.

[4] Quoted in Taleb, 2007: 290.

I can't help but imagine the ideal book as resembling a plumber's van, filled with tools and instructions and with checklists on the passenger seat. But could a checklist drawn up in Sydney be relevant for a problem experienced in Stockholm? Could a solution to a problem in Las Vegas do the same trick in London? And is a good idea in Rio still a good idea in Rome?

In this book, I'd like to propose the opposite. I'd like to advocate abstract thinking, and to make the claim that abstract thinking helps us to understand much better what is happening. And I would assert that this understanding is a better springboard for action than ostensibly practical tips and tricks.

Ironically, it was Hegel who set out to demonstrate that abstract thinking might be more practical than the advocates of the 'real world' want us to believe. In his thought-provoking short essay 'Who Thinks Abstractly?', he gives the example of the execution of a murderer. The 'uneducated', practical mob sees nothing but the murderer in the person being executed. But the educated few try to trace the criminal's mind and the reason for his deeds in his biography, education or bad family relationships that made him 'embittered against the social order – a first reaction to this that in effect expelled him and henceforth did not make it possible for him to preserve himself except through crime'.[5]

It is refreshing to see that abstract thinking was as much *en vogue* in 1808 as now, some 200 years later. Hegel turns the relation between abstract and practical on its head: for him, abstract thinking is what common people do when they describe a thing or person with one word – the murderer is a murderer and nothing else. Doing so means abstracting all the qualities of the murderer and forgetting them. The theorist, on the other hand, is interested in those qualities and wants to know more about them; the theorist does not take the label murderer as an explanation but rather as something that needs explaining. Their thinking is more empirical – more practical. Abstract thinking means 'to see nothing in the murderer except the abstract fact that he is a murderer, and to annul all other human essence in him with this simple quality'.[6] So who thinks abstract? Probably those managers who do MBAs and uncritically believe they have discovered 'the one best way to manage', as preached by some management guru; those managers who manage by benchmarks and best practice derived from others; those managers who want to become good leaders by being followers of some idealized management hero.

[5] Hegel, 1808/1966: 113.
[6] Hegel, 1808/1966: 113.

The ethnographer who shadows a manager, the anthropologist who is a fly on the wall in business meetings, the sociologist who looks at cultural influences and the psychologist who studies personal relations are trying to find the peculiar, the special, the different in what they study. They turn over things and acknowledge that truth is a function of one's perspectival. What's called practical and relevant is often ill-equipped to see that what we can know is a function on the perspective we take. It prefers the certainty of the abstract over the probability of the concrete.

To put it another way the difference is not that researchers get fired up about theories and ideas and managers don't. Managers are exposed to bad theories and ideas all the time – think Total Quality Management (TQM), Business Process Reengineering (BPR) or the Balanced Scorecard. These are all abstract ideas in Hegel's sense, and research has shown that they are far less useful than their originators claim.[7] The manager who reads these books and takes their 'tools' seriously is like Don Quixote reading all those novels about knights until he started to read the world as a subtext to his books. How many managers read Jack Welch's chivalry stories and then attack some kind of windmill? What Edward Said said of *Don Quixote* might well be true for most business books: 'It seems a common human failing to prefer the schematic authority of a text to the disorientations of direct encounters with the human.'[8]

In this book, we will explore the human, the grey and the messy. We cannot offer advice on what you should do – such advice would be misguided. What we will do is help you to understand better what is going on in our brand society, and what its consequences are. We will not focus on the spectacle that brands offer but on the underlying structures that make them powerful in the first place. Cocteau once said: 'I look at the scaffold for the king from the carpenter's perspective: The structure of the scaffold is of more interest than the actual execution.'[9] Similarly, we will not chase the sensational but will work our way through the empirical.

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[7] A good example is David Cooper's and Mahmoud Ezzamel's work on the Balanced Scorecard (2008).
[8] Said, 1978/2003: 93.
[9] Cocteau, 1958/1988: 99 (my translation).

Acknowledgements

Every book is a *mixtum compositum* of many voices. Writing means cultivating those voices and civilizing their relations to each other. There are three ongoing conversations in my life that I'd like to hold responsible for this book.

First, and most important, is the branding agency PLAY, which I co-founded in 2003 and co-directed until 2008 with two partners, Johannes Weissenbaeck and Simon Horauf. The company name expressed the idea that we wanted to play *with* the rules of the game, not *within* them. To launch our company and build networks, we created Sydney Esquisse, Australia's first and finest festival for art and design. The festival was an adrenalin shot into the veins of Sydney's creative body. It put me in touch with all sorts of creatives, from publishing to graphic, product, fashion and web design. As our first commercial job, we took on the editorship of *(inside) Australian Design Review*. To make money, we registered the domain name PLAY Consulting and positioned ourselves as a brand consultancy. To reflect our diverse backgrounds in management, marketing, strategic planning and design, we adopted Majken Schultz and Mary Jo Hatch's definition of branding as alignment of an organization's identity, culture and communication.

But we learnt quickly that markets don't work like academic models, so we were pretty unsuccessful in selling our complex message. To give credit to the model, we were also inexperienced, and the suits we wore wore us. Through a form of trial and error that would not do justice to the finesse of strategy models in textbooks, we evolved into one of the first brand experience agencies.

For one of our first major clients, Adobe, we developed a user-generated design competition that communicated the brand behind the products rather than the technology in the products. We were comfortable in this new niche, and added clients such as ISS, MINI, Jaguar, Subaru, GlaxoSmithKline, Vodafone, Kellogg's, the Sydney Opera House and others to our portfolio. We also focused on the field of professional-services firms, working with

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PricewaterhouseCoopers and Australia's leading law firm, Freehills, among others.

During those five years, PLAY grew from the part-time hobby of three recent arrivals into one of Australia's most acclaimed brand experience agencies. In fact, in 2008, PLAY was named Australia's Brand Experience Agency of the Year. When I sold my third of the company in mid 2008, I had spent hours on end with (potential) clients trying to understand their concerns about their brand and how we could help them; writing proposals and putting together presentations for pitches; and thinking about how a particular brand could communicate its meaning. This apprenticeship has provided me with an intimate understanding of both sides of the fence: whereas a company such as MINI was pushing for consumer-oriented and experience-based branding, professional services firms such as PricewaterhouseCoopers used branding internally to re-think and manage their organizations. I started to experience the brand as a central axis that connected the two spheres of production and consumption. My hunch was that this would transform society at large, too – *et voilà*, the basic idea of this book was born.

The second influence that is to blame for what follows is my academic background. I did my undergraduate degree and my PhD in Philosophy at the University of Vienna. The university was founded in 1365, which makes it the oldest university in the German-speaking world. While it might be a pretty decent place to study philosophy, this kind of education does not set anyone up to run a branding agency (just ask Simon or Johannes). It does sharpen your sensibility, though, and trains you to question what is being taken for granted (something clients don't spend much money on). It helped me to see meetings as focus groups, proposals as survey instruments, pitch presentations as participant observation, and PLAY as a whole as an action research project. It also taught me that most of the work of an agency is focused on managing its *performance* – not in the sense of revenue or profits, but in the sense of acting out a script that convinces clients and employees alike that things are progressing according to plan. More of that later.

Finally, I have used my contacts and the friends I made on the way to collect stories and conduct interviews. I've spoken with large global advertising agencies, such as DDB, and small yet globally celebrated creative niche players, such as the Dutch collective Kesselskramer. I've discussed brands with corporates such as Deloitte and ING, who spend hundreds of millions of dollars annually to build their brands, and I have interviewed public organizations such as the City of Edinburgh about how they use the brand to manage their identity. I quote these practitioners extensively not because I think

they know more or know better, but because they are like native theorists, with their own explanations for what is happening.

I have to thank the following people for their time, their patience, their support and curiosity: first of all, Simon and Johannes for sharing a company and their friendship; Majken Schultz and Mary Jo Hatch for sparking my academic interest in brands; Paula Parish, my publisher at Cambridge University Press, for believing in my project; my interviewees, including Ailsa Falconer, Christine Shewry, Cindy Carpenter, Danielle Bond, David Redhill, Gary Hardwick, Lesley Martin, Matt Eastwood, Matthijs de Jongh, Paul Hugh-Jones and Ruud Polet, for taking time out of their busy schedules to talk to me about their ideas on brands; Deirdre Livolsi for making initial sense of my manuscript; Cindy Carpenter, Chris Carter and Stewart Clegg for a torturous line-by-line reading of it; Joanne Martin for detailed comments on Chapter 5; and Julien Cayla and Nick Ellis for getting halfway through it.

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Then there are many people to whom I could not talk but whose ideas I absorbed through their books. Branding is a new and therefore fragmented field in which the marketing talk of consultants and more serious academic-speak can co-exist on the same shelf – an amazing mix of highly critical books and others that quote Plato on Pepsi and Nietzsche on Nike.[10]

So where does all this leave us? Like any text, this book is a cross-section, a frozen moment in those conversations, a 'tissue of citations, resulting from

[10] Braun, 2004.

the thousand sources of culture', as Roland Barthes said. 'If he [the author] wants to express himself, at least he should know that the internal "thing" he claims to "translate" is itself only a ready-made dictionary whose words can be explained.'[11]

I'd happily subscribe to this idea. After all, a ready-made thing is not produced nor created but chosen off the shelf, and what metaphor could be more apposite for a book on branding?

[11] Barthes, 1967.