

Brand America at War

By Janice Spark, Founding Partner, Idea Engineers

September 11 forever changed the nature of global civil society, and it also changed the way companies deal with their brand image. Immediately post September 11, De Beers (to quote a random example), was forced into changing its 'Mother of all Diamonds' advert to something a little more touching, and less thematically linked to war. Many other companies across the world ran back to the advertising drawing board – emerging with sombre and reflective campaigns that better suited the new global mood.

The military campaigns currently underway in the world, such as the war in Iraq, may well end within a few months. But the more amorphous 'War Against Terror' that George W. Bush declared on September 12, 2001 does not look to be drawing to a close any time soon. If anything, the 'War Against Terror' is rapidly polarising global society, particularly when it comes to the way people view America.

On Capital Hill, the centre of American free thought and democracy, French fries are now being called 'freedom fries' - because from the heights of Capital Hill, the French seem to oppose the world. In Muslim communities, alternatives are being sought to overtly American brands, with the likes of Mecca Cola making a rapid entry into the European market. Orchestrated campaigns are also underway, locally and internationally, urging people not to buy 'American' products.

It is tempting to think that global brands with strong links to America will suffer from the current groundswell of opposition to all things American. Whether this is indeed true is a complex issue, not least because global brands, despite their origins, have become important parts of indigenous societies and economies.

John Travolta illustrates the point beautifully in the opening scenes of *Pulp Fiction*, when he educates Samuel L Jackson as to the way McDonalds has evolved in Amsterdam (Americans would never dip their freedom fries in mayo, but the Dutch sure do). The salient fact here is that there is no doubt that if McDonalds went bust in South Africa, it would be the local economy and people that suffered, and not George W. Bush.

Others will also correctly point out that many global consumers are addicted to their favourite brands. While KFC outlets may be torched in times of anger, once you love the smell of CK or get the feel of Diesel on your skin you are hooked for life, regardless of your socio-political affiliations.

But prior to the USA's renewed assault on Iraq, anti-globalisation campaigners (who have always focused a great deal of their anger in the direction of brand America) were characterised more by the intensity of their actions than the intellectual rigour of their argument. Vehement and violent demonstrations against globalisation were never backed up by viable alternative solutions to the global economy that we all live in.

Now, with Bush's War Against Terror having morphed into a regime change attack on Iraq, anti-Americanism is at an all time high, and the need for a viable alternative to globalisation has been rendered redundant. What was once a vague assault on all

things capitalist has now crystallised into major global opposition to America in general, and George W. Bush in particular.

In short, brand America is in trouble.

Up until a few years ago, America was largely viewed as an ultimately benevolent and 'good' global power. The America of old was also the launching pad for the modern concept of branding. Through a doctrine of customer service and free market expansion, America as a brand underpinned commercial entities such as Coke, Nike, Disney and Microsoft (along with a host of others) - all of whom have gained significant emotional and commercial footholds in the lives of people across the world.

But today Mecca Cola are shipping millions of units across Europe. With tongue firmly in cheek, the makers of Mecca Cola have cottoned onto the fact that anti-American sentiment has opened up a brand new market - and where Mecca Cola have gone, many others will surely follow. Over the course of a few short years, markets are emerging in conceptual opposition to brand America.

Has Coca Cola's position as the definitive American brand suddenly become a position of weakness?

America's perceived loss of its key defining brand values (freedom, innovation, style and accountability) will certainly have a resounding commercial impact across the world. It is, however, unlikely that we will see any dramatic or immediate changes in the success of brands that are conceptually or operationally tied to the USA.

Leading American brands (like all leading brands) offer consumers an identity to interact with. In other words, they offer a point of interaction to the public, and they lay down their approach to market and points of responsibility for all to examine, and react against.

In branding themselves, Coke, Nike, McDonald's and the rest have opened their products, their commercial ethics and their people to the global public. To be sure, this openness is tightly covered by a veneer of corporate gloss that is very difficult to penetrate. Nevertheless, global American brands offer consumers products that are in demand, and that are delivered with a high degree of interactivity and apparent care.

Another important consideration is the role of the country of origin in brands like Coke, KFC and McDonald's. Just how much influence does the American government have on the evolution and global business of these brands?

In many cases, global brands do have clear links to the political movements of their country of origin.

For a historical example, we can turn to Mark Pendergrast's definitive history of Coca Cola. Pendergrast highlights the fact that Coke made extremely sensible use of the American front line in World War Two, dishing colas out to all the front line troops (who were starved of the most basic edible substances) and opening bottling plants days after the USA had liberated countries from the grip of Axis powers.

Today, it is probably the global energy brands that are likely to suffer the most in terms of their commercial association to America's geo political advances. In combination with increasing assaults from environmental activists, the Iraqi adventure could have a big impact on the way Mobil, Exxon and others are viewed.

Whether this will translate into a significant dip in profitability is another question, however. Petrol and other energy products are only going to become more sought after as time goes by. Despite what we think of the brand, we'll probably carry on filling up our petrol tanks, because we want to drive.

So, what are the chances that global consumer culture will eventually be usurped by a culture that places socio political affiliations before products?

It is possible, but it will certainly not happen overnight. Big American brands will continue to do good business across the globe, because they offer products that are in demand at the right prices – and because their consumer hot lines are cranked up and waiting for your call if your soft drink is flat. The big brands have extensive reach, based on long term consumer loyalty. They are also often localised to the extent that indigenous societies view the brand as their own – regardless of the country of origin. OMO is a classic example in this regard. Viewed by most South Africans as a definitively local brand, OMO in fact washes clothes across the world. Nevertheless, many global brands have leaned heavily on America the state, both conceptually and operationally, and given their mother brand's slipping identity they are going to have re-invent themselves to some degree.

Thus, corporate governance, together with corporate responsibility and the ability to understand and integrate into local communities will be critical strategic factors for global brands in the future.

While turnover may not be devastated by the war on Iraq, many of the brands mentioned in this article will undoubtedly face serious brand identity challenges in years to come. With America's global political moves at their most extreme since the Vietnam war, it will be vital for 'American' brands to establish and maintain independent ethical and operational credentials.

The bottom line is this: the political and commercial make up of our societies is changing fundamentally, even if seemingly in slow motion. Global companies will have to stay on top of their strategic game to keep a long term hold on their brand value.

About Janice Spark:

With 20 years of Marketing, Sales and Advertising experience, Janice Spark has directed the marketing efforts of leading global organisations. Spark launched her career at Standard Bank in '84 where she pioneered specialised banking packages for high-end consumers, before moving on to pioneer the concept of 'sell thru videos' for Gallo Home Video. Then as Marketing Director of Adcock Ingram in the late '80s Spark oversaw the introduction of 15 successful new brands in a three-year period, whilst achieving market leadership for the company's hair care, skincare and household product ranges. Before co-founding **Idea Engineers**, Spark was the Director of Aramis South Africa where she introduced Tommy Hilfiger and DKNY to South Africa; entrenched aramis as a market leader and led Estee Lauder's most profitable division in the international market.

About Idea Engineers:

Founded in 2002, **Idea Engineers** is a strategic marketing company that develops great brands and businesses. Working with clients from strategy to execution, Idea Engineers helps companies add value to their business by developing, managing, growing and protecting on of their most valuable assets: their brand. By doing this they help businesses grow market share and increase equity to become more

powerful and effective in challenging marketplaces. Idea Engineers is situated in Sandton, South Africa. More information on the company is available at www.ideaengineers.co.za.