

## **TRUST IN THE FUTURE**

**When it comes to brand management, Kevin Roberts says that only two things are wrong: brands and management.**

Name: Kevin Roberts

Occupation: CEO, Saatchi & Saatchi

Aspiration: "A trademark plays defense. It's the way that you protect what you've already built up. It's your copyright, your patents, your table stakes. But a trustmark plays offense. It's the emotional connection that lets you go out and conquer the world!"

Kevin Roberts doesn't dress like an ordinary ad-agency CEO. He favors black T-shirts and black jeans as his regular outfit.

He doesn't talk like an ordinary ad-agency executive either. He speaks with a vigorous New Zealand accent, says exactly what he thinks, and peppers his speech with a zesty dose of enthusiastic profanities and energetic exclamations.

Most important, he doesn't think like an ordinary ad man. A few short years ago, according to advertising orthodoxy, brands were everything. The combination of rising global competition, proliferating product offerings, and multiplying Web sites put a premium on a company's ability to establish its brand as a recognized mark. Today, says Roberts, 50, chief executive officer worldwide of Saatchi & Saatchi PLC, brands are history. Looking forward, companies need to establish their products and services first as "trustmarks" and then, upping the ante even higher, as "lovemarks."

As a small test of the concept, Roberts produces a printed list of the top 100 global brands: from McDonald's, Coca-Cola, Disney, Kodak, Sony, Gillette, and Mercedes-Benz, all the way to Benetton, Sainsbury, and Dr. Martens. On Roberts's list, only a few of the names are in boldface type. Those are the brands that have figured out how to make the leap from being a brand to being a trustmark.

The transformation, Roberts says, requires a new set of ideas -- not only about brands, advertising, and marketing, but also about leadership, authenticity, and the human spirit. Listening to Roberts talk openly, energetically, and convincingly about his career and about his work at Saatchi makes this mind flip sound self-evident. "The greatest connections are built on love," he says. "I still love every brand I've worked with." That list includes some of the most impressive brands and the most well-known companies in the world: Gillette, Pepsi-Cola, Procter & Gamble, and now Saatchi & Saatchi, one of the world's leading advertising agencies, which Roberts joined as CEO in 1997. He has continued in a leadership role with Saatchi since the 6,500-person company was purchased by French agency giant Publicis SA for nearly \$2 billion last June.

The Saatchi & Saatchi Web site makes immediately clear Roberts's influence on the firm: "Ideas are the currency of the future," it says. "They solve problems. They create opportunities. They entertain. They break down barriers. They enrich lives." Roberts's own best idea: "To make the New Zealand flag black with a silver fern" -- his design for his beloved nation. In order to find out more about his ideas on the future of marketing, advertising, and brands, Fast Company visited Roberts at his office in New York.

Plot your product on a love-respect axis. I used to work at Procter & Gamble, and I've always loved that company. Historically, it's been the mother, father, aunt, and uncle of brand management. But unfortunately, succeeding in today's market isn't about either of those two words: It isn't about brands, and it isn't about management.

We've already moved from management to leadership -- and we're about to go beyond leadership to inspiration. In the 21st century, organizations have to achieve peak performance through inspiration by unleashing the power of their people -- not by leading them, not by managing them, but by inspiring them.

And it's not about brands anymore. We live in an attention economy where people are bombarded with messages day in, day out, and brands don't cut it. Go back in time. First we had products -- which were the equivalent of management. Next we added trademarks and developed brands -- which were the equivalent of leadership. Now we've got to move beyond brands to trustmarks. But why?

Because people today are cynical, savvy, and selective. You have a famous brand? I couldn't care less! You've got three seconds to impress me, to connect with me, to make me fall in love with your product. Pretty much everything today can be seen in relation to a love-respect axis. You can plot any relationship -- with a person, with a brand -- by whether it's based on love or based on respect. It used to be that a high respect rating would win. But these days, a high love rating wins. If I don't love what you're offering me, I'm not even interested.

Everyone knows everything. Here's another thing that's different about brands today. It used to be that if you went to the store as a consumer, and you bought a box of detergent or a tube of toothpaste or any other product, chances were that you had no clue about the company that was behind the product. You didn't know -- and, to be completely honest, you probably didn't even care.

Today, you want to know everything -- and you can know anything. Information is accessible to everyone. We didn't know all of that stuff in the past because nobody told us. But now -- guess what? You can't hide anything. I know where your factory is; I know how much you pay your workers in Indonesia -- and I have a point of view on those issues. They influence how I think about your company and about your brand. And today, I also have an incredible array of choices, all of which perform up to my level of expectation.

It used to be that you would build a brand on performance, not on information. In today's world, there's no such thing as sustainable competitive advantage. Everybody knows what everybody else is doing, and if you've got a lead, your competitors will be right there with you three months later. Today, the fast beat the slow -- and tomorrow, the fast will beat the big.

Trademarks play defense. Trustmarks play offense. All of that is why we're moving from trademarks to trustmarks. We all know what a trademark is: It's what differentiates. It's a distinctive name, symbol, model, or design that legally identifies a company or its products. But what's a trustmark? A trustmark is a distinctive name or symbol that emotionally binds a company with the desires and aspirations of its customers. It's an emotional connection -- and it's much bigger and more powerful than the uses that we traditionally associate with a trademark.

Think of it this way: A trademark plays defense. It's the way that you protect what you've already built up. It's your copyright, your patents, your table stakes. But a trustmark plays offense. It's the emotional connection that lets you go out and conquer the world!

You don't own your trustmark -- I do. Trustmarks don't belong to companies. Trustmarks belong to the people. I own Fast Company magazine. I want it every month. I want to read it, to take it apart, and to spread it around to my friends. The editors of Wallpaper don't own that magazine. I own Wallpaper. It's not theirs, it's mine -- and they'd better not fuck with me.

Take the iMac: the most sensual product since the dildo. It absolutely does not belong to Steve Jobs. It belongs to me. I want to hold the iMac. I want to choose the flavor of it. I want to love it. The iMac belongs to me -- and I get to choose the flavor.

Richard Branson, head of the Virgin Group, absolutely understands this principle. Virgin belongs to the people. The whole epitome of Virgin is people power. If you had to do the trustmark shorthand, you'd say, "British Airways: big, horrible, monopolistic carrier. Virgin: little scrappy guy, on the side of the people, totally fantastic." Virgin enters the telephone market. Straightaway, you know what that move means: lower rates for the people. I will buy anything that has "Virgin" on it, because I trust that name. It's not a brand. It's not a corporation. It's not even Richard Branson. It's me.

What happens when a company mistakenly believes that it owns its trustmark? Look at what happened with Roberto Goizueta while he was running Coca-Cola. He created more shareholder value for Coke than Jack Welch did for General Electric, but Goizueta was obsessed by one thing: taste tests. Pepsi beat Coke in taste tests, which drove Goizueta absolutely crazy -- and, by the way, Pepsi

knew that. The taste tests had no effect on the emotional connection that consumers had with Coke, but they drove Goizueta crazy. So he put his chemists to work, and they came up with a product that would win the taste tests. Goizueta was ecstatic. The company launched it as New Coke. And what happened? The people said, "You cannot do this. Coke is ours! We don't care if the new one tastes better than Pepsi; this is our brand. It belongs to us! What are you idiots thinking? Coke is an American mystery. You cannot make it better." And Goizueta and Coke were forced to back right off.

Performance is table stakes. Sensuality wins. Another key dimension of trustmarks: They cry out to be touched. Trustmarks are built on design. Think about products that are physically attractive. The Zippo lighter. You want to hold it, open and shut its lid, handle it. The original Coke bottle. It's sensual. Just the shape of that bottle makes it an object that you want to have in your hand. A Montblanc pen is also sensual. It's black, it's smooth, it's great to touch and to look at. Design is more than just about how a product looks: It's also about how a product feels. You want people to touch it, to experience its sensuality.

I first started thinking about the touch and the feel of a product about 10 years ago, when Lexus gave us the task of establishing a luxury car in the United States. We saw the car, and it was an incredible vehicle. Its performance was unbelievable. When we talked to consumers about what they wanted, they liked its functionality -- but they loved its sensuality. They told us that they live in a world that is cruel and heartless. Companies fire them; their parents are divorced. They've got nowhere to turn. So they want to be surrounded by sensuality -- by things that they can touch and by things that touch them.

Look at the iMac. If you've got one on your desk, people want to touch it. They want to lean on it. They want to fondle it. You never see anyone act like that with a run-of-the-mill PC. We've moved from hard-edge design to soft-touch sensuality.

This absolutely applies to services as well as to products. When it comes to services, not only do you want something that you like to touch, you want something that touches you -- and that has a personal touch. Hallmark cards touch you. That's emotional marketing. Or think about the opposite -- a touch that is so impersonal that it practically drives you crazy. These days, if you try to call an airline to get information about your flight (Is it on time? Is it delayed?), all you get is an endless number of computerized voices. You absolutely cannot talk to a person, and in the end, it doesn't matter what information you're actually seeking because you're totally frustrated by the experience. No matter what the content is, the experience is depersonalized, and it hasn't touched you.

Trustmarks are a mystery. Trustmarks can't be pinned down: They have a sense of mystery. Brand management at Procter & Gamble was built on expressing the functional benefits of each product to consumers in a clear, compelling,

consistent, competitive, media-intense way. I don't think that's needed anymore. Now what you've got to do is create belief -- and a part of having a belief is recognizing its sense of mystery.

For example, I have no idea how the performance of an iMac compares with the performance of an IBM PC. Steve Jobs has never told me. But you know what? When I was looking to purchase a computer, Apple made my choice really easy: hot pink, green, purple, orange, or blue. Apple changed all of the factors that I use to make a computer-purchasing decision -- because in my reptilian brain, the key word that relates to the word "computer" is "fear." I am scared shitless of computers. I don't know how they work. I don't know the vocabulary. I don't even know how to buy one. Fear.

And then Apple offered me a billboard: It showed a hot-pink computer, an orange one, and all of the other flavors. And underneath them was just one word: "Yum." Complete mystery. Complete sensuality. And I said, "Right! I'll take the hot-pink one!" Why? Because the iMac is all about mystery. I get to fill in what it means to me -- I get to give it my own interpretation.

What differentiates Ray-Ban sunglasses from their competitors? I don't know if they're really better shades or not -- and I don't care. I just know that when I put on Ray-Bans, I'm a cooler guy. It's the mystery that captures the emotional connection between a product and a customer.

Too much information can kill the romance. Brands are all about information, and we've mastered that. But today, the thing people have the least of is time. They no longer have time to absorb a ton of information. And the fact is, you don't have to inundate people with information anymore. If your goal is to give people information, then send them to your Web site -- because the information is all there.

We are just now in the process of launching a hair-care product for Procter & Gamble called "Physique." It's a huge idea; it's already gone national, and it's going to go global. But here's the thing: Instead of spending 90% of our money on a television plan, we spent 30% of it on TV and invested the rest in a Web site. Physique is already P&G's most-visited Web site. We've already converted more than 500,000 people in the United States into members of the Physique club through the site. But the best part is that the average amount of time that people spend on that Web site is about 11 minutes! Eat your heart out, 30-second TV commercial! We've got the consumers. We're talking to them; they're talking to us.

My point is this: The mystery that intrigues you about a product in the first place is much more important than the information that you get about that product. Look at the folks at Harley-Davidson. They are incredibly smart. In performance terms, their bike is actually pretty average. Imagine if someone from P&G were at

Harley-Davidson -- what would he do? Probably the first thing is a side-by-side comparison between Harley and its fastest competitor. Let's say that competitor is BMW. And because they're really smart in R&D at Harley, they'd find a way to build a bike that was faster. Then they'd run an ad that shows a race between a Harley and a BMW, and the Harley would win.

And in doing so, they would absolutely fuck up Harley-Davidson as a lovemark. As a lovemark, Harley-Davidson has two things. One is its signature rumbling sound. The other is that you can't go very fast on a Harley, so you have to ride in a pack. As soon as you can go fast, it's all over, baby! Then it's you and the open road -- and a Harley is all about you, about your mates, and about riding in a pack on the open road, tooling around at 80 mph. The mystery of the Harley isn't in its performance, and it isn't in any of the words that end in "ER." Most brands are built on "ER" words -- faster, bigger, better, cleaner. Mystery doesn't need those words.

A trustmark connects with you emotionally -- and then you go and find out the information about it that you need.

Trustmarks offer you their entire history. Trustmarks find a way to combine the past and the present in one sensual package. If you think of yourself as being locked in the past, it's very hard to be cool. But when your brand combines the past and the present, that's a trustmark. Think of Mercedes-Benz. What does it own? It owns passion, and it owns passion in a way that combines both the past and the present. It's able to tap into design, history, sensuality, look, feel, mystery, cool. It's chilling.

I'm on the board of the New Zealand Rugby Football Union team, the All Blacks. I know for a fact that there is no opposition as intimidating as your opponent's legacy. When you play against the All Blacks, you're going up against a team that has a 74% win record over the past 104 years, the most sensational winning percentage in all of global sport. You're not just playing against the players on the current team -- you're playing against all of the guys who ever put on that jersey. And you're playing against those standards. The All Blacks wear all-black shirts and all-black shorts. There's a saying about the team from the 1930s: "The All Blacks come to the game already in mourning for the opposition."

We've just done a \$100 million deal with Adidas for it to sponsor the All Blacks gear. Adidas told us that it's doing the deal not because it wants to be associated with rugby but because using the All Blacks jersey builds its brand value by being associated with the team's legacy, its tradition, and its history. Adidas wants to be about authentic, competitive warriors from the past.

These days, if you don't have a past, then you need to create your own legends and myths very fast. We do live in Internet years, so your culture can become a legendary, mythical thing in six months.

It's the spirit, not the values. Trustmarks are surrounded by mythical stories and characters. Brands are obsessed with values. Brand values, company values -- all crap! They've got it completely wrong, which is why they stay brands. To me, it's all about spirit, not about values.

Who knows what the values of the Wild West were? Who cares? But we all know what the spirit of the Wild West was adventure, romanticism, individualism. What we're looking for are stories and characters that communicate the spirit of a trustmark, not the values of a brand. We've moved from a passive notion onto something that is much more expressive. Look at Nike and Phil Knight. Here is a guy who's got a swoosh tattooed on his ankle! That's fantastic -- and it's never going away. Nike was built by athletes like Steve Prefontaine. He was an Oregon athlete, a great competitor, who loved running. He was totally authentic, and he wore Nike running shoes, because he was that kind of guy. The Prefontaine story is all about spirit. It tells you that Nike is a company that was created for athletes, by athletes, about athletes. There's a creation myth that goes along with the company.

You carry an icon in your heart. Trustmarks are surrounded by iconic characters. The Marlboro Man. The Nike swoosh. The Macintosh Apple. Ronald McDonald. If you can capture the spirit of a trustmark in a single iconic character, you've got a huge head start. An iconic character is shorthand. When a company has an iconic character, and they flash it at you, they're already inside, already talking to you. And they're not talking to your head but to your heart.

Sometimes you see iconic logos that companies don't use. To me, the Tide bull's-eye is a logo that P&G has never exploited. A few months ago, I was at a music studio when Neil Young walked in wearing a T-shirt with the Tide bull's-eye on it. Here's Neil Young, one of the most noncommercial guys in the music world, and he's wandering around wearing the Tide logo on his shirt! It's cool enough for Neil Young, but somehow it isn't cool enough for the people in the company in Cincinnati? When you see something like that, you know that your logo has moved from just a logo to something that everyone has embraced as a cultural symbol.

Now that you've mastered trustmarks, graduate to lovemarks. Trustmarks come after brands; lovemarks come after trustmarks. I was totally shocked by the computer virus known as "the love bug." Most of us are on alert. Our information/process/nerd/defensive systems are deployed. Then we get an email that says, "I Love You," and what happens? We all say, "Somebody out there loves me! Who is it?" And bang! You're dead! What does that tell you? There is an incredible untapped need for love out there. And the question is, How do you capture that need as an advertiser or as a marketer?

When you look at most companies, it's clear that they're not in love with their own brands. I looked at how companies talk about their own brands, at the correspondence that marketers have sent to me, and they all talk about product performance and product superiority. They all use military language and warfare metaphors. Not one talks about love. They use bullshit words, and they qualify everything. They say that they "like" something. Everyone's afraid to say that they actually love something.

But think about how you make the most money. You make the most money when loyal users, heavy users, use your product all the time. That's where the money is. So having a long-term love affair is even better than having a trusting relationship. If I could get my brand to be either loved or trusted, which would I rather have? I'm bloody sure that you can charge a premium for brands that people love. And I'm also bloody sure that you can only have one lovemark in any category.

If you're not in love with your business, why should your employees or customers be? If you want to create a lovemark, you've got to be passionately in love with your own business. And if you haven't fallen in love, don't expect your employees or your customers to fall in love. Consumers can smell a fake from a mile off. The same goes for employees. What we should be doing today is letting our people loose to be the best that they can be. And for them to do that, they've got to love you. Most companies today are pressing the wrong buttons with their people. Employees aren't going to be motivated by bonuses or by performance incentives. They're going to get better and do better every day because they have given you their hearts, not just their minds. They have to love what you stand for -- and that's a big cultural change.

If you want to see where this change is happening, just go to the Internet. Because most current market-research tools are so completely useless, the Internet is the most explosive tool for developing products. Existing research tools measure what you do or what you say you're going to do. Focus groups get dominated by two or three leaders who take over. So they don't measure what matters: They don't measure what your customers feel. They're measuring respect; they're not measuring love.

The Internet is the most enabling tool to understand feelings that's ever been invented. On the Web, people tell you everything, because there's no threat, no intimidation, no pressure. It's one-on-one. It's private. There's no ego.

We're involving consumers on a test basis in product development. They download an idea for a product, and they respond straightaway. It used to take us a year to get that kind of feedback. Now it takes us 30 days. And we've completely reversed the process. We used to make something, test it, make some more, prototype it, test it some more -- and then, finally, at the back end, we'd ask consumers how they liked it. We were asking them at the wrong end!

Now we ask them up front, and when the product finally does come out, it's already got word-of-mouth support. People feel that they're already connected to it.

The connection is, we love our customers. We want them to help us design our products. And if you love your customers, talk to them real early.

Being a lovemark means being willing to say you're sorry. Lovemarks accept the responsibility that goes along with being a lovemark. It's like a love affair. You have a responsibility to protect the integrity of that love affair. The question is, Will you still love me tomorrow?