

4Front – April 2001

Transactions to relationships, brands to Lovemarks

4Front: You've looked at brands from both sides now. What's the current prognosis for brands and brand management?

Kevin Roberts: Dire, in a lot of cases; terminal, in many others. Brands have been dying a slow death for the past couple of decades. They are running out of juice – or rather, the juice has been squeezed out of them. If brands were animals their managers would be hauled upon cruelty charges. When they're not flogging some tired nag to death, brand managers are acting like a rang of rustlers, furiously stamping a new logo on some just-gotten stock. This is not behaviour that will win or hold customers. Modern consumers are savvy – they can tell when a brand is tired, and they can quickly detect any whiff of inauthenticity.

4Front: Given that most brand managers weren't born in the saddle, what explains these cowboy tendencies?

Kevin Roberts: Desperation. Although more and more people are buying more and more things, companies in crowded markets are finding it increasingly difficult to sell their things. Companies everywhere are finding that choice can be both opportunity and burden.

Saatchi & Saatchi operates in more than 90 countries around the world, so we can substantiate some generalisations. The characteristics of the modern market include the rapid diffusion of innovation, products approaching parity, media clutter and distracted consumers. The result is a frantic search by marketers for something – anything – that will differentiate a brand. And that search often ends badly. Businesses want to be different, so they try on a few masks. Consumers aren't fooled – they have too much information these days; they just think wearing a mask means you've got something to hide.

4Front: So, it's curtains for brands and sayonara to brand management?

Kevin Roberts: Some brands will have to say goodbye, others can keep saying hello. There's another modern reality that offers salvation for smart brands. It's not a technological or economic phenomenon, though; it's a social or attitudinal – even a spiritual – transformation. We are living in an age of relationships. In the Western world, certainly, this might seem paradoxical – society seems more fractionated, more people are living alone. But in these social circumstances, it's not surprising that people yearn for connection.

Anyone who has a brand has to understand the transition from traditional, relatively-straightforward transactions, based on the dissemination of information, to relationships, which are sustained by the emotions. Toyota gets it. Saatchi & Saatchi's "Every Day People" campaign for Toyota was a quiet celebration of ordinary relationships – the relationships people know most about, and care most about.

4Front: So what do brands have to do to make the transition from transactions to relationships?

Kevin Roberts: In the past what sustained a brand was consumer appreciation of a brand's performance, reliability, and availability. These qualities distinguished the successful brand from inferior competitors. In sum, they engendered respect. But now, for many products or services in more and more markets, these qualities are taken for granted. They're just table stakes. If you're a phone company in a competitive market, for example, you better make sure that connections work, repairs are prompt, and a reasonably intelligent human being answers calls before your customers take drastic action.

If you want to stay in the game, then, respect is no longer sufficient. In this age of relationships, you must take your brand into the territory of the emotions. Brands must invite loyalty and invoke a sense of ownership. If they are to survive and prosper, brands must evolve; they must become what I call Lovemarks.

To illustrate this necessary transaction, I use a diagram – a graph that plots a brand along two axes, one measuring respect and the other measuring love. Brands with a future will be those that can migrate to the quadrant formed by the intersection of high respect and high love – the Lovemark quadrant.

Why does all this matter so much to anyone marketing anything? Because love is an emotion and emotion *incites*. As the eminent neurologist Donald Calne puts it, the essential difference between reason and emotion is that reason leads to conclusions while emotion leads to actions.

4Front: What are some examples of Lovemarks?

Kevin Roberts: The Zippo lighter – tactile, portable, inscribable and, in the palm of Humphrey Bogart, eminently suggestive. Harley-Davidson bikes, with their rumbling promise of the open road; Lego, the toy you got for Christmas but couldn't get away from your Dad. Apple's I-Mac computer – if you've seen one, I bet you wanted to reach out and stroke it.

The Concorde is a Lovemark. Its recent history shows the value of this status, which a brand cannot claim as its due – Lovemark status is conferred on a brand by consumers. Concorde the brand can recover from the crash of one of the planes last year. Why? Because consumers still respect Concorde, still admire it, still trust it, still love it. And because the relationship between this brand and its consumers is so strong, the brand will be forgiven (this time). The companies that operate Concorde have to take a lot of care now, and the brand's mystique has been tarnished, but there is no fatal dissonance between what the brand says it is, and what it *actually* is.

This comes back to my point about authenticity. Nike – the company of Tiger Woods, Michael Jordan, the Brazilian football team – is currently struggling to bridge the perception gap that has opened up between what the company thinks of itself, and what others think about it. It's as if there were two Nikes: the Nike on the feet of great athletes in great arenas and the Nike on the Internet, the ...

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Kevin Roberts: Absolutely. Advertisers have colluded in sucking the life out of many brands, or tricking them up to be something they patently are not. What often happens is that advertisers try to impose definitions on brands, rather than express the essence of brands. Before you take a brand out into the world, you should get to know it. Advertisers should not be making stories up; they should be drawing them out. These stories will convey ideas – ideas that not only define a brand, but also make connections.

This is what people like me should do for a brand. I feel so strongly that we are in the ideas industry that when I joined Saatchi & Saatchi I got rid of the ad agency moniker. We're an ideas company.

4Front: The Lovemark brands you've talked about are tangible objects. What if you woke up one morning and found yourself in charge of branding something like a utility – say a power-generating company? What would you do?

Kevin Roberts: First, I'd reflect on the latest wonderful twist in the course of my life... Five minutes later, I'd get out and start Lovemarking the company. I'd talk to people – to workers and managers, engineers and planners – and customers. I'd gather stories, and sift them to find the essence of the brand. I'd want to find the things about the brand that people loved; if there weren't enough of those, then I'd find out what people could love about the brand.

Why the preoccupation with stories? Because story-telling is the scaffolding of ...

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Power companies have an unfortunate habit of adding to their intangibility and therefore increasing the distance between themselves and their customers. They love futuristic, technological-sounding names. They want to appear different, and they end up sounding just the same.

For a counter-example, among the various companies that have sprung up in New Zealand's deregulated energy market, there's a company called Mighty River. I don't know much about this company, but as an ideas provider I sense the resonance of its brand. The company is based in a region that really does have a mighty river – one that has flowed through generations of lives.

Having found my stories, I'd turn to great storytellers – people who can make a continuum of past, present and future. I'd go to the people who I've worked with for the past five years. I know they understand about forming and sustaining relationships.

4Front: Finally, what three things do you think are crucial to a company in considering its brand?

Kevin Roberts:

Honesty: A company should be true to itself. It should always strive to improve, but it should not pretend to be what it's not. Consumers can tell a fake as quickly as a cat sniffs a sardine.

Respect: In relationships, you have to give as well as get. A company must take a long-term view if it wants long-term relationships. Consumers will forgive little faults.