

Running

Kevin Roberts, chief executive worldwide, Saatchi & Saatchi, says the traditional concept of branding is all but dead. He proposes a new order for brands: think local and act global, cultivate connections and replace respect with love

A powerful dynamic has been driving business for decades and brands are fleeing in its path. The forces behind this dynamic are a relentless drive towards commodification, the erosion of distinctions, the rapid imitation of innovation and higher standards of product performance. The response to this dynamic has been escalating and frantic efforts to differentiate, and, when all else fails, buying the competition.

Brands have had a dream run pumping the global economy, but now a cool breeze of change is blowing through markets. Globalisation has made consumers better informed, more critical, less loyal and harder to fathom. They can detect fakery and mediocrity before they see it.

Furthermore, since the softening of the world economy and the attacks of 11 September, consumer sensibilities

play the same tune for too many years, and over-rely on technical solutions. Even the word brand has become meaningless. Michael Eisner of Disney calls it "over-used, sterile and unimaginative". We've gone from brand to bland – and products have been homogenised. All in all, just another brand in the wall.

2. *Intense competition.* A consequence of brand proliferation. More and more resources are devoted to capturing attention. A treadmill of novelty, production value, incremental change, tactical promotions and borrowed associations have exhausted brands.

3. *Obsession with category.* This involves an acceptance of the world according to marketers – a vacuous universe of initials and acronyms. But the term 'mature market' lacerates the soul: it's a passion-stripped excuse to roll over, lie back and put out to the status quo.

“ **The disconnection between reason and emotion is colossal. It astonishes me** ”

globally have altered. Tangibles are under scrutiny. Intangibles – home, family, community – are in the ascendant. Mortality reflected back is a sobering thing. Fear unsettles. Uncertainty too. And in this universal human shakedown, consumers remember that people matter more than things.

Trade is changing too. Distribution is consolidating, stakes are higher, markets are fragmenting, competition is ferocious and brands – even great brands – are not immune to the pressures of consumer empowerment.

Reality bites. Ignore it and you're history. Brands have lost touch with consumer reality. They've lost power, prestige and value. They're out of juice. More accurately, the juice has been squeezed out of them.

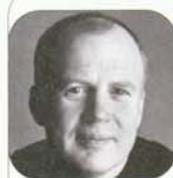
Here's five key reasons why brands are running on empty:

1. *Over-use syndrome.* Where brands

There's an indifference to real, personal customer experiences – delight, surprise, excitement, even love. The disconnection between reason and emotion is colossal. It astonishes me.

4. *Rationalisation of brand management.* This is a 'wannabe' science that never was and never will be. It's made up of definitions and charts; an obsession with metrics; researching to cover its ass instead of dreaming to innovate. Research vampires are running amok – they're like Descartes on acid. They're using the same rule book to differentiate brands into a monolith of marketing sameness.

5. *Aversion to risk.* A creeping conservatism and distrust of the new. Clinging to tradition. Brands seen as the consolidation of past experiences rather than the promise of future ones. But status quo means the mess you're in. Life is a dynamic not a continuum.



Kevin Roberts

Kevin Roberts is the New York-based CEO worldwide of Saatchi & Saatchi. He is also CEO in Residence at Cambridge University's business school, the Judge Institute of Management, and Senior Fellow of the University of Waikato in New Zealand

If you're not challenging the future you're part of the past.

The age of reason is over. Around 450 years of rational man is long enough. On the cusp of decision, the heart always trumps the mind. Accepting that is an ignition point for springing the commodification trap. But how do you swerve past incrementalism to get the ultimate premium generator? Here's five ideas for ways of reinventing brands:

1. *Geography. Go local.* People say: "Think global, act local". No, it's vice versa. Great ideas get and keep their juice by knowing what they stand for. Anyone who wants to go global has to understand the local – their own local and the locals of all their customers. People live in the local. I've never met a global consumer. I never expect to. We define ourselves by our differences. It's called identity – self, family, nation.

Beyond the easy pickings of the global economy – minerals, refineries, shipping, timber – you're hard up against people. People and what counts most for them. The 11 September fractured the connection between local and global. Globalism and glob-

on empty



alisation were already giving way to regionalism. People want the benefits, but not the cost of things global. They're grabbing what's fun and easy and then retreating to the local. This is fertile territory.

2. Pursue failure. Originality is about risk taking. It leads to spectacular success or spectacular failure. Avoid the middle ground. Ice hockey legend Wayne Gretzky said you miss 100% of the shots you don't take. Long shots break the mould. They differentiate. "When there are hurricanes, build windmills," says an ancient proverb – it's a trenchant truth.

The bold beat the cautious. The top two players in any category have the critical mass to compete. Positions three, four and five struggle to remain relevant to consumers and shareholders. The US is in recession, but in recession you can improve your market position. Media has never been cheaper. Dollars go further; pricing power is stronger.

3. Cultivate connections. Connections are the energy of innovation and growth. Steve Jobs, chief executive of Apple, says: "Creativity is just connecting things." Innovation depends on the frequency of connections among people and their ideas. None of us is smarter than all of us. Great ideas spring from a common purpose, motivated by imagination and fuelled by emotion. It involves shared meanings, stories, values and spirit.

4. Pump up emotion. Neurology has proved we are powered by emotion, not by reason. If the emotion centres of our brain are damaged, we don't just lose the ability to laugh or cry, we lose the ability to make decisions. Reason must be driven by emotion. Features and prices can be duplicated. Emotion provides the opportunity to truly connect with people.

5. Go for love. If you can't say the L-word you're a dinosaur. Herb Kelleher of Southwest Airlines – 'the airline that

love built' – was a prescient man. He foresaw that the future of branding was in relationships not transactions. Southwest is the only airline to have earned a profit every year for the past 28 years.

General Electric's Jack Welch is another unabashed L-word user. The passion Welch brought to his business was made evident by the record shareholder wealth he created. Even if it was possible for brands to win lifetime loyalty, high respect isn't enough to win it. To burst through the clutter, brands have to be loved.

Two years ago, Saatchi & Saatchi seized on the potency of the above points, and developed Lovemarks – an outfit with a vision beyond branding. Lovemarks are super-evolved brands. Today, most successful brands are high on respect and low on love. They're faster, crisper, cleaner, newer, better, bolder – all ending in 'er', the most dangerous of which is 'cheaper'. But Lovemarks trampoline off high respect and tap into human emotions. They fuse mystery, sensuality and intimacy into a respect superstructure of high love. The result is the ultimate premium profit generator.

Lovemarks belong to their customers. They form relationships. They can be anything – a person, a country, a river, a car, a drink. Only a few of the world's top 100 brands are Lovemarks. How do you recognise one? You don't – you sense it – an instant emotional jolt. It's Harley Davidson against Suzuki. iMac versus Thinkpad. Not difficult.

Why does love work? It's true. It's real. Senior vice-president Don Esmond at Toyota US said this year: "It's time to move from the most respected US car company to the most loved." Not surprising, given that Camry has been the number one selling car in the US for four years running.

So it's time for marketers to get real. The human species is heart-driven. Darwin would have got it straight off. Monkey to man. Respect to love.