

Brand papers Culture

Tap into culture and customers



Stefan Engeseth says companies would do well to use the power of culture and customer involvement to build brands

Brands are at their most effective when they are relevant for consumers. The most effective ways to stay relevant for customers are to bring local culture to the brand and also involve consumers in every stage of the process. Take what's most important to your target audience and make it an integral part of your brand. Here are three elements all companies should consider when considering their business strategy:

1. Culture

Culture is a vital part of branding. For

example, in India, culture is far stronger than marketing. It was no surprise when Tony Wright, worldwide chief executive of ad agency Lowe, spoke recently in Mumbai and talked of how the time is over for colonial corporates. If you can't tap into a strong and varied culture with 1.3 billion people, you simply won't sell your products.

Coca-Cola is learning this the hard way in India. It has apparently spent \$2.5bn (£1.44bn) on its global advertising, but there are around 1.3 million hits on Google when you search for 'Coke problems in India'. The reason for this is simple: Coca-Cola did not understand that today's market is transparent.

Consumers react fast and immediately; they judge your brand. Coca-Cola needs to stop using advertising as a monologue and involve its consumers. This could give it free advertising worth billions. But if it doesn't find a way to make its product culturally relevant to Indians, then it won't succeed.

It needs to take inspiration from Singapore Airlines. This brand is famous for its friendly service and allowing the traveller to experience the culture of Singapore before they actually arrive in the city. It has taken Singapore's most obvious cultural elements and made them brand values.

Less well-known is the Malaysian carmaker Proton, even though it had revenue of MYR1.8bn (£278m) in the quarter ending September 2005. While Proton's visibility is improving, it suffers from the limitations of many other Asian brands: it hasn't translated its rich national or regional culture to its brand. Why doesn't it let Malaysia show in the design of the

car? Its vehicles could be from any part of the world; nothing makes them uniquely Proton.

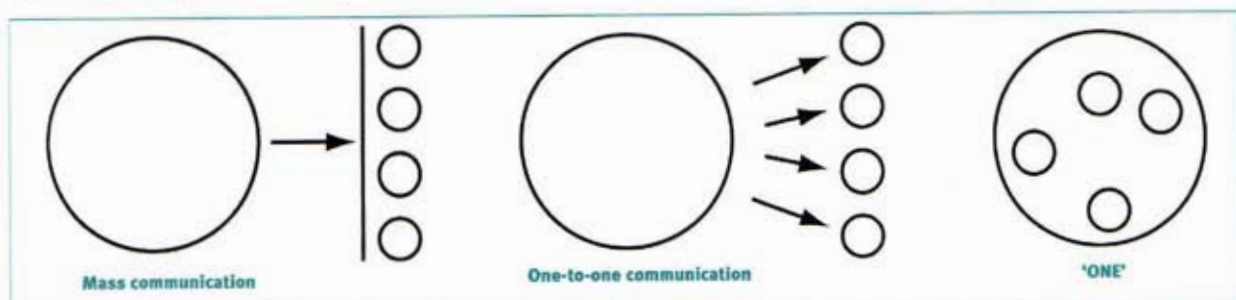
Perhaps Proton believes that consumers don't see Malaysia as a trusted region for cars so it doesn't want to highlight its connection to the area. This was a problem for the Japanese automotive industry in the 1960s; it produced fair cars with laughable brands. But through improving not only product quality but their brands, Japanese cars are now considered to be among the best in the world.

Proton needs to improve its quality and make its culture work for the brand. Already consumers in blogs are talking about 'loving to hate Proton', which isn't the kind of passion you want to inspire. Why not ask these consumers for help and involve them in the brand? Malaysia is an extremely interesting nation and its products should be ambassadors, just as Singapore has its airline promoting its values around the world.

2. Customer Involvement

There are plenty of lessons for brands in history. Thousands of years ago, when Caesar's army landed on the British Isles, he knew he had to motivate his troops more than usual. He ordered all the boats burned in front of the soldiers. By the light of the burning boats, he explained that there was no turning back and no retreat. They had to win or die. Today, we don't need a Caesar to tell us there's no turning back. If corporate leaders don't start including customers in their corporations, they'll be the ones going up in flames.

The famous saying is 'make love not war', but most companies still



Communication is shifting from mass-communication or one-to-one to 'ONE' (see left for explanation)

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approach the market as a battlefield when they should spend more time wooing their consumers instead. When the rest of the corporate world is busy waging war, it's so much easier to get closer to your customers and exceed their expectations.

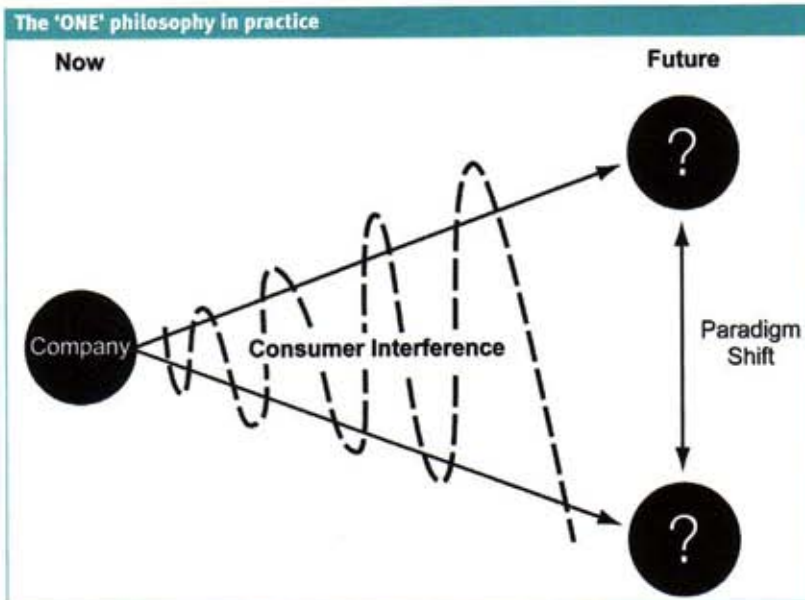
Now let's skip forward in time and look at the French Revolution. The brands of today are similar to the aristocracy. Consumers are starting to rise up and demand their fair share of what they've helped to create as well as transparent accountability. It's a global consumer revolution with companies staring at the business end of a guillotine. Some heads have already rolled – Enron and WorldCom are just two examples.

Coming right up to date, I grew up in my mother's hair styling salon in Sweden. This was probably the best customer relations training I could have had. People tell their hairdressers more than they tell their bank – which is strange because banks are so important for many aspects of life. So why are people more open with hairdressers? It's because of the interaction between company and customers. Banks rarely get it right but hairdressers often do – even though the service that is offered isn't nearly as important or as valuable as what banks can give their customers.

3. Combining customer involvement and culture in one brand

I have a theory called 'ONE', which is all about brands and consumers working together as one body. It seems a logical progression of where brands should be going now. The first stage of companies was to communicate to the mass-market. Then they adopted 'one-to-one' communication, but this still creates a distance between the two – 'them and us'.

The final mental step is to become one with the market and the customer (see chart, left). This goes deeper than simply communication to encompass everything from product development to corporate culture.



Companies can avoid a drastic paradigm shift through customer participation

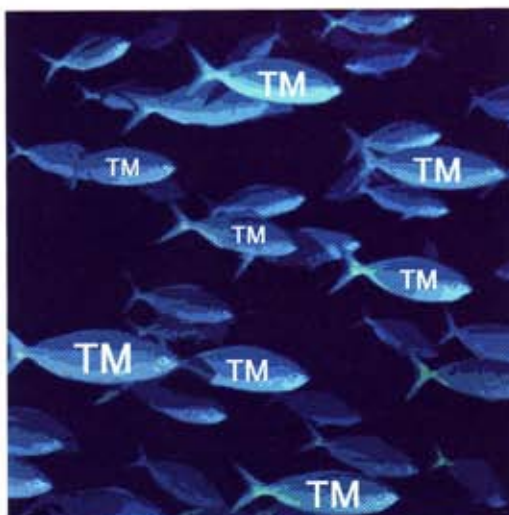
Consumers must be involved at every single stage. Companies need to move from being leadership-orientated to customer-orientated to create a flexible organisation, free from conventional corporate culture. It is simply common sense to let the direction of a company be set by the customers rather than the chief executive.

Large, complex organisations such as banks have become too complacent and have forgotten all about the customer. The customers, however, are not going away. Instead they are looking for alternatives.

Grocery stores, online specialists and credit card companies are taking business away from banks by forming a closer relationship with the consumer and offering better services. In some countries, such as Sweden, the prime minister has encouraged this kind of competition, so unless banks can change their strategies, they'll have a difficult time ahead of them.

In the words of AG Lafley, chief executive of Procter & Gamble, in an article in *AdAge*: "It's a consumer revolution – a demanding but liberating shift. The rise of this powerful consumer boss marks one of the most important milestones in the history of branding."

Many larger companies claim they are now starting to 'love their consumers', but at the same time, they know they have no choice. Consumers see through false messages. Brands need to take steps to move closer to the consumer; after all, without them, there's no bottom line at all.



Brands swim together like fish. Don't act like a shark or you'll drive consumers away

Stefan Engeseth is an author and founder of Detective Marketing Consultancy, Stockholm. His book ONE – A consumer revolution for business will be released in spring 2006 by Cyan Books. stefan@detectivemarketing.com. All illustrations by Roland Williams.