Feature

Brand new **justice**: why brands count

Simon Anholt's *Brand New Justice* is one of branding's most influential books and the first of two in 2003 addressing how brands can create global economic justice. In this extract, he introduces its purpose.

Simon Anholt

This has been republished with the author's express permission. Simon Anholt's Brand New Justice: the Upside of Global Branding*, published by Butterworth–Heinemann in 2003, is available on Amazon.co.uk and other retailers. Simon Anholt is a well-known international branding and marketing thinker, a director of Placebrands, and adviser to various government bodies. A web site and forum at www.brandnewjustice.com, furthering the aims of the book, will be launched with Jack Yan & Associates' help.*

WHAT I'm about to tell you is something you have probably heard before, but bear with me. It's an important introduction to what follows.

Here's how brands work: on my left, a plastic bottle of sweet, fizzy brown fluid bearing the label 'Cola'. It cost me around 50¢. On my right, a nearly identical bottle of sweet fluid bearing the label 'Coca-Cola'. It cost me just over a euro— or just over a dollar, if you prefer.

On my left, a good quality plain white T-shirt. Cost: around €10.

On my right, an identical white T-shirt with a small Versace logo printed in black on the front. Cost: around €30.

It seems almost criminal, doesn't it?

Well, that rather depends on who is doing it. *Brand New Justice: the Upside of Global Branding* explores the possibility that this phenomenon of branding, and certain other related tricks of wealth creation, could be better distributed around the world than they have been in the past. It shows how marketing is, in fact, a powerful tool for economic development, and might make a very worthwhile contribution to the fairer distribution of global wealth.

Value you can't see

The 'brand value' which marketing adds to products and services is not tangible value: unlike sales, products, factories, land, raw materials or workforces, you can't measure it very easily, but it represents capital because it enables producers and sellers to charge more money for their products and services. It is a multiplier of value, and as such, represents a substantial advantage for its owner: it's as good as money in the bank. You can borrow against it, buy it, sell it, invest in it, and increase or decrease it by good or bad management.

The concept of intangible value is a well-established one in our capitalist system, and doesn't make brands any more suspect or less valid than any other form of commercial worth.

This additional value is not a trivial phenomenon; it forms a substantial part of the assets of the developed world. According to some estimates, brand value could be as much as one-third of the entire value of global wealth.

Being able to measure the value of these assets is clearly important, and Interbrand, a branding consultancy, have devised a widely accepted method for doing this. According to their latest survey of the *Most Valuable Global Brands*, the intangible assets of the top 100 global brands are together worth $988,287,000,000: just a shade under a trillion dollars.

To put this almost unimaginably large number in context, it is roughly equal to the combined gross national income of *all* the 63 countries defined by the World Bank as 'low income' (and where almost half of the world's population lives).

Like me, you may find that a slightly disturbing thought, even though you've probably heard these kinds of statistics before. What can't be denied is that this elusive component of commerce is of great importance in understanding the distribution of wealth in the world today, and it is likely to have a role to play when we are trying to work out ways of balancing things better in the future.

There is little that is likeable about these mega-brands, the way they work, the companies which own them, or the fantastic quantities of wealth which they generate. But like it or not, rich and poor, we all live in a money-based global economy, and the lack of money is a primary cause of suffering: so it makes sense to take a closer look at how these brands multiply money, and see whether their genius for doing so might be transferable to some of the people and the places which *really* need it.

How brands create wealth

Selling products with well-known names, rather than bulk commodities or generic goods, has long been a smart business to be in.

Everybody knows that branded goods cost more than unbranded ones. You pay extra for the well-known name on your food, your clothing, your hi-fi, your running shoes, your car, and if you are one of those rather rare but very sensible people who always choose the supermarket-brand products, or products without well-known names at all, you will end up saving quite a lot of money.

But unless you're one of the brand rejecters, what do you actually get for the extra money you pay?

Well, although brand value is intangible, several aspects of the brand are of real value to the consumer; and as much as some companies would like it to be so, a brand is not just a trick for over-charging consumers. Consumers aren't that stupid.

A product with a famous name is one you can usually depend on to do what it's meant to do, one that's made with quality ingredients or components, and backed by a substantial company which probably cares enough about its reputation to work hard to remedy any problems you may have with the product later on. A branded service business, one hopes, invests constantly in the best training for the best people. You can feel reasonably sure that a branded company will stay in business, in case you do have a problem with its products or service.

Spare parts for branded products will be easy to find (although they will also be more expensive than the unbranded ones), and if you're really unhappy with the product, you can expect the company to take it back and refund your money. A brand is as much an open invitation to complain as it is a promise to deliver, and companies which deal lightly with complaints will soon erode their reputation.

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The branding mechanism keeps running and creates wealth. The fact that the system is so pervasive doesn't necessarily mean that it's morally sound, but it does suggest that it responds to something pretty real in human nature.

So a brand also represents a considerable responsibility for its owner.

Brand names save us time, effort and worry. Even though, in the rich countries of the northern hemisphere, it seems as if we spend rather too much of our lives either buying things or deciding which things to buy, few of us actually have the time, patience or expertise to research all of the minute differences between dozens or hundreds of competing products. To understand exactly why a BMW engine performs better or worse than a Mercedes engine, a Nike running shoe cushions better or worse than a Reebok, a Compaq is faster or slower than a Dell, you would need a degree in engineering.

A reputable brand enables us to shortcut this process: we feel we can take the quality, sophistication and reliability of the product on trust.

The brand name is a promise that vast resources have been poured into making the product perform as well as the name implies. Most people feel that buying branded products is a safer bet, and don't mind paying well over the odds for this peace of mind: the higher price includes a contribution towards ensuring a better product from a better company.

In societies like ours, which largely revolve around acquisition, this ability of brands to reflect such attributes is so valuable that if the manufacturers didn't help us out by creating their own brands, we would quickly find a way of investing their products with reputations ourselves. If, by universal decree, Mercedes and BMW were compelled tomorrow to de-badge their cars, name them 'A' and 'B', and sell them at identical prices, it probably wouldn't be long before some of us were boasting to our friends that we drove an A, and that this clearly made us rather classy—to the annoyance of B drivers, who would be equally convinced that their refined taste and discernment clearly marked them out as superior individuals.

Something like this once happened in the Soviet Union, where brands were forbidden. Soviet citizens quickly realized that the products in the state shops were produced in a variety of different factories, and each factory produced to its own quality standard.

Within a very short time, shoppers had worked out how to read the barcodes on the products and tell where each product was made, and were thus able to exercise a kind of primitive brand selection.

It is often quite rightly pointed out in branding literature that companies don't invent or own their brands, consumers do. Reputation, after all, exists in the mind of the perceiver: it is not a quality of the product itself.

And of course there's the emotional side to branding, too. Like it or not, buying a branded product says something about you. At one very basic level, it is a way of showing people that you have enough money to pay more than strictly necessary for the things you own. Depending on the brand's image, it may also communicate something about the kind of person you are or would like people to think you are—your taste, your social standing, your attitudes. People have always used their possessions in this way, to express their wealth, taste and power: the addition of brand values to possessions simply makes them more expressive.

We are social animals with a keen sense of hierarchy, and most of us are well prepared to pay extra for possessions which, in addition to or even instead of performing a useful function, advertise our status or act as badges for our various allegiances. Some brands—especially clothing brands—express our membership of cliques, schools of thought, ways of living; they express our attitudes towards authority, our mental age, our tastes and our political leanings.

Rather usefully, the global brands even do this in a language which is international.

On the whole, our weakness for the way brands work as badges is not something which we like to admit to: it's rather shaming to acknowledge that we are prepared to buy social status, or that we are foolish enough to spend more than necessary on a product which simply makes us feel or look a little better. Most of us would rather not confess how well our favourite brands pander to our weaker side, how intimately they know our secret vanities: we acknowledge them by buying them, but if asked directly, we may deny all knowledge of our real motivations. For the same reason, the whole system of branded products is easy to criticize, and there is always a ready audience for authors who criticize the way that brands work on us (often missing the point that they're only there because we want them to be).

And for the same reason, there has been a healthy market since the 1950s for fanciful books which reveal the dastardly tricks used by advertisers to coerce unwitting consumers into buying products they don't really want or need. We have always preferred to believe that we are being cynically manipulated by unknown forces than simply admit that we enjoy spending our money, and not always wisely.

Yet consumers for the most part subscribe voluntarily to their pact with brands, and their value in stimulating commerce, funding the media and generally creating wealth means that modern industrialized countries would sorely miss them if they went away. (One example of this is the calculation that if *The Times* carried no advertising, it would cost nearly £21 per issue instead of its current cover price of around 60p.[1])

The same cannot be confidently said about consumers in less developed countries, where the pact is less equal, and where people are not so effectively "immunized" against commercial messages from an early age. But more on this later.

All this is basic stuff, and we live in an age where most people—at least in the industrialized nations—are familiar with the mechanisms of brand image. In fact, it's interesting that, even though we all understand very well how brands work, and how at least part of what we're paying extra money for is really non-existent, we are still perfectly happy to carry on doing it. Some say this is foolishness; some call it decadence; some find it morally objectionable that so many people in the rich world will happily pay hundreds of euros for a pair of elegantly ripped and stained Diesel jeans while others go unclothed in Africa for want of a few cents' worth of cloth.

The real success story of branding in recent decades has been the way in which companies have used their brands to turn the satisfaction of complex and even spiritual needs into commercial transactions. Once a people have reached a level of wealth where all their simple needs are fully met, where they lack nothing which is essential for the satisfactory continuation of their daily lives, one might imagine that their surplus time and energy would then be expended on fulfilling higher, spiritual and intellectual needs. One might also imagine that commerce has no part to play in this pursuit.

But as people in richer countries have moved beyond basic wants, so companies have kept pace with their increasingly complex and intangible desires, attaching the promise of status, peer approval, tranquillity, happiness, wisdom, intelligence, sex appeal, long life, fitness, youthfulness, to their branded products. Now that every desire in our waking lives is fulfilled, brands manage to sell us our dreams.

Brands continue to exist and generate huge profits because that is the only way in which consumers who own everything they want can be stimulated to carry on consuming as if they still needed things.

There is rather more to achieving these spiritual ends than owning the accessories which go with them, or the brands which reflect the lifestyle which matches them: so, like drinking salt water when you're thirsty, the brands do little more than sharpen the desire without ever satisfying it. This may all sound a little pious, but I think we all know the ache of wanting and wanting a particular possession, at last buying it, and then feeling the same emptiness gradually return a few days or weeks later.

This may partly explain the rapid growth of FairTrade products and well-marketed charity appeals: they enable us to spend money without feeling cheapened or impoverished afterwards.

How brands distribute wealth

So the branding mechanism keeps running, and continues to create wealth. The fact that the system is so pervasive and so durable doesn't necessarily mean that it's morally sound or even healthy, but it does suggest that it responds to something pretty real in human nature.

Brands remain economically attractive because enough people believe that they are worth paying extra for: the companies which are lucky and clever enough to own powerful brands make more money than the companies which don't, and some of the extra money which consumers pay for extra brand appeal is pure profit for the brand owner.

This is why company bosses are sometimes quoted as saying that their brand names are worth more

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than the rest of their business assets put together: you have to keep investing in your brand, and your product and customer service have to live up to the promise of the name, but when it's in good health, a brand is a licence to charge more money for your products.

Although increased profitability is one of the main attractions of being a brand-owner, it isn't all about margin. The large consumer brands may enjoy 15–20 per cent greater margins than producers which aren't household names, but the real benefit for the brandowner occurs over time. Brands represent *sustainable wealth*: it's the loyalty of the consumer base, the ready acceptance of new products launched under the same name, and the relative cheapness of retaining loyal customers compared to the cost of continually finding new ones which really make the difference, and enables branded businesses to grow exponentially over time.

One survey has even revealed the startling fact that brand leaders, far from getting locked into an ever-increasing spiral of marketing costs to sustain their brand images, actually spend *less* on advertising than their competitors.[2] (The corollary to this, of course, is that the competitors need to spend more, so the advertising industry is in little danger of doing itself out of a job.)

In the longer term, brands create wealth around themselves. The additional profit margin means that the company can invest more money in research and development to maintain the flow of innovative, high quality new products to market; in marketing to maintain and enhance the profile and power of its brands and keep up with the market leaders; in people and systems to improve its customer service.

This enriches the substantial service sector which surrounds the makers and marketers of products. As they grow, the companies employ more and more people, buy more raw materials, use yet more services, build more factories and offices, and pay more taxes. Their distributors and retailers benefit from bigger sales, and share in the bigger profits, which means more companies hiring more people and engaging more service businesses, retailers expanding their businesses to meet the growing demand from consumers, and all *these* companies paying more taxes, too.

Research from the USA showing figures for direct and indirect employment by large companies[3] suggests that the employment effect within clusters centred around a major international brand can be dramatic: Dell Computer's Texas operations, for example, employ 12,500 people directly, but are responsible for creating some 30,000 jobs in total; 3M directly employs 20,000 workers in Minnesota, creating 54,280 total jobs; Monsanto directly employs 3,800 people in Missouri, and creates 9,650 jobs. In other words, each of these companies is creating between two-and-a-half and three times as many jobs for the local economy as actually appear on its payroll.

Gradually, wealth spreads out from successful companies, merges with the wealth spreading out from successful supporting and competing companies in the same region, and it stimulates the economy of the city, the region, and ultimately the country in which the company is based.

Life on the lower tier

The brand effect is one of the ways in which the countries which had already generated great wealth through trade and empire-building in the previous three or four centuries have managed to become richer still during the last hundred years.

Today, many big corporations acknowledge that their real expertise is in product design and marketing, and this is where they invest most heavily. The less profitable parts of their enterprise, such as sourcing the basic raw materials, manufacturing and finishing the products, are farmed out to wherever they can get the required quality for the lowest price—and it's almost invariably in the second or third world. Naomi Klein and others have written about this phenomenon, and have done much to bring to light the injustices which so often stem from it.[4]

These companies no longer need to produce or manufacture: all they need to do is brand and deliver, and the money comes rolling in.

Companies in emerging and third-world countries, on the whole, haven't been able to do this trick, and still make most of the foreign income which is so crucial to their economies through supplying companies in rich countries with the raw materials or basic manufactured goods and labour they need.

But these supplies, since they are unbranded, are generally identical to those of their many competitors, are extremely price-sensitive, and generate very slender profits indeed.

In addition to their Top 100 global brands survey which I mentioned at the beginning of this chapter, Interbrand also publish rankings and valuations of Brazil's top 12 brands (none of which have significant sales outside Brazil or are worth anywhere near a billion dollars, so of course don't make it into the Global Top 100).

The combined value of these local heroes is just over $4 billion (the top 12 US brands are worth somewhat more than 100 times as much).

Their value compares very differently to the country's income, as well: Brazil's top 12 equate to less than half a per cent of GNI, whereas America's top 12 are nearer 5 per cent. Massive reserves of intangible wealth would appear to be a characteristic of the healthy, modern economy. Whether this is something we should be concerned about, I leave to others to decide.

As it stands, most poorer countries are enmeshed in various patterns of behaviour which keep them poor, and one of these is selling unbranded goods to richer nations at low margins. Companies in the richer nations then add large amounts of margin to the goods by finishing, packaging, branding, and retailing them to the end user. The poor country's part in this process often helps to deplete its resources while keeping its foreign revenues at a break-even level or below.

The margins on this kind of transaction have been compressed even further in recent decades as globalization has advanced, making life as a "supplier nation" an increasingly unattractive proposition. As time passes, the profits at the branding end of business grow, and there is a tendency for the profits at the supplier end to shrink.

Before globalization reached today's levels, being a supplier nation did provide opportunities for reasonably stable foreign income, even if it was seldom a recipe for great wealth. But in a globally networked world, where brand-owning companies are free to shop around the world for their raw materials, their manufacturing and labour, and instantaneously locate the best combination of sufficient quality and low price, supplying them has become an extremely risky business.

Instead of suppliers in poor countries competing on a local level for contracts to supply rich companies in the north, they are now in direct and constant competition with other suppliers all over the world.

Farmers in one country may have a less favourable climate with a shorter growing season; and a single poor crop may make it almost impossible to win back contracts in subsequent years. An American or European company can switch its suppliers of raw materials from Latin America to Southeast Asia overnight if the price is right. Suppliers in Thailand can bid on the internet for contracts against suppliers in Kenya and Peru, and this creates a very volatile situation: in some countries, factories and producers may enjoy massive government subsidies, international aid or development grants and thus drop their prices way below anything the rest can afford, or they may have a cheaper labour force and thus undercut the rest. World Bank concessional loans for supporting Vietnamese coffee production, for example, have all but wiped out the robusta coffee business of several African countries: in a globalized world, it's almost impossible to help one country without harming another.

The consequence of this effect of globalization is more and more intense competition between supplier nations, which means greater risks and ever tighter margins for the suppliers, and better and better opportunities for the purchasing companies in the west. It's no business for the faint-hearted.

Isn't it the poor world's turn?

A visitor from another planet might well ask, if poor countries want to do something to catch up, why don't they simply play the same game, and encourage their industries to start selling finished, branded goods directly to consumers rather than unbranded goods and materials to brand-owners? If one-third of the entire world's wealth is composed of this thing called brand value, why aren't poorer countries getting into the branding business too?

After all, for an emerging market, branded exports would represent *protected margin*: unlike commodities and labour, which depend entirely on price, quality and timely delivery in order to maintain preference, successfully branded goods can—at least for a while—keep their customer base even after all other factors have been erased. Buyers return endlessly, willingly, sometimes almost automatically to the companies which produce their favourite brands, and will always take an interest in and give preference to new, unknown products from the same companies. Of

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course, companies can also show preference towards long-standing suppliers with a history of efficient service, and this is like a weak form of brand loyalty, but since the offering itself generally has nothing to distinguish it from any other on the market apart from price, that loyalty may be short-lived if a cheaper alternative appears.

If it is true that branding is simply adding a range of attractions and services to a quality product, and since so many of the quality products are already manufactured in emerging markets, there is little question that graduating from commodities or unbranded manufactures to brands would be a highly effective way for companies in such countries to improve their income and profits—and, perhaps, if enough companies did it, to improve the wealth of the entire country as well.

There is much simple justice in this idea, and a simple formula is irresistible. I raised the following point in my book *Another One Bites the Grass: Making Sense of International Advertising* (John Wiley & Sons, 2000) and it forms the opening thought of this one:

- if a company in a rich country sells brands to rich consumers in the same or other rich countries, nothing really happens: money simply circulates within a more or less closed system, and there's little to criticize on moral grounds;
- if a company in a rich country sells brands to poor consumers in the same or other rich countries, there is a risk of exploitation and a further widening of the wealth gap;
- if a company in a rich country sells brands to consumers in a poor country, the risk of exploitation is far higher;
- but if a company in a poor country sells brands to consumers in a rich country, the overall balance begins to be redressed, and justice begins to be done.

So why doesn't it happen?

Conventional wisdom says that companies in poor countries can't get rich by exporting branded goods and services for several reasons. These are the five most common ones.

1. They can't produce high enough quality products or services.
2. They can't afford to promote or distribute them internationally.
3. They don't have the expertise to build international brands.
4. Even if they did, nobody in rich countries would want to buy them.
5. Even if they did, and even if people did buy them, the resulting profits would never benefit the economy as a whole, and would simply disappear into the pockets of a few corrupt individuals.

In the book are some responses to these five objections, as well as an exploration of the consequences of rejecting them.

Branding the exports, branding the nation

The starting-point of *Brand New Justice: the Upside of Global Branding* is that companies in many poorer countries *can* develop and sell their own branded goods and services abroad. What's more, they can sell them not just in other poor countries, but in many cases back to the rich countries which until now have been their "clients", and so control more of the commercial process—and the profits—from conception through to sale.

This kind of business is also good for the country where such companies are based. Companies with successful export brands provide an example and an inspiration to other companies, they generate national pride and prosperity in their immediate neighbourhood, and perhaps above all they make foreign consumers and investors think again about their country: a place which is capable of producing attractive, desirable, high quality exports is a place worthy of some respect. It may even be worth visiting; it certainly makes other products from the same country worth a look.

More branded export business is most certainly a step in the right direction for an emerging country. But unless the companies are big or numerous enough in proportion to the country to represent a meaningful slice of national income, and unless there are fair and reliable ways to ensure that their profits don't vanish exclusively into private hands, then showing a few companies how to improve their profit margins won't have any major, immediate impact on the development of the whole country.

But branding has a far bigger role to play than this.

If the development of these export brands is supported and encouraged by government, and written as a key component into a consistent, imaginative and well-managed *national* brand strategy, it can make a real difference to the country's long-term prospects.

A national brand strategy determines the most realistic, most competitive and most compelling strategic vision for the country, and ensures that this vision is supported, reinforced and enriched by *every* act of communication between the country and the rest of the world.

Those acts of communication include the kinds of brands which the country exports; the way it promotes itself for trade, tourism, inward investment and inward recruitment; the way it behaves in acts of domestic and foreign policy and the ways in which these acts are communicated; the way it promotes and represents and shares its culture; the way its citizens behave when abroad and how they treat strangers at home; the way it features in the world's media; the bodies and organizations it belongs to; the countries it associates with; the way it competes with other countries in sport and entertainment; what it gives to the world and what it takes back.

If done well, such a strategy can make a huge difference to both the internal confidence and the external performance of a country. Image and progress unfailingly go hand in hand, and although it is usually true that image is the consequence of progress, rather than vice versa, it is equally true that when *both* are carefully managed in tandem, they help each other along and create accelerated change.

It is an approach which concentrates as much on the representation of actions as on the actions themselves. This is because the first lesson which marketing has to teach is that other people are less interested in you than *you* are, so if you care about what they think, it's your responsibility to make yourself properly understood. Marketing teaches us that people are just as often guided by their perceptions of things as by the reality of things. Good marketers know that being in possession of the truth is not sufficient—people still need to be persuaded that it's the truth.

Marketing also teaches that people can't be deceived for long; that the higher you raise their expectations, the more completely they reject your offering when they are disappointed; and you can't make people buy a bad product more than once. So every good marketer knows that his or her primary responsibility is to ensure that the product matches up to the promise, because misleading marketing is ineffective marketing.

Edward R. Murrow, the Director of the United States Information Agency, echoed this principle when he testified before a Congressional Committee in 1963:

> American traditions and the American ethic require us to be truthful, but the most important reason is that truth is the best propaganda and lies are the worst. To be persuasive we must be believable; to be believable we must be credible; to be credible we must be truthful. It is as simple as that.

All this sounds to most people like pretty good sense, but in some countries the vocabulary is sadly inflammatory. My own country, Britain, is an acute example of this: there is a widespread, strong, perhaps idealistic or even naïve feeling that public affairs and international relations are, or should be, purely about deeds and facts; marketing, on the other hand, is seen by many as a dirty and unprincipled business, dealing with surface and illusion, vanity and deception: lies, in short. Politics is about actions, marketing about hot air. (The most frequently heard criticism of our present government is that they are too concerned about how they are regarded. In many countries, this would be considered a rather mild complaint, but in the UK it is a serious charge.)

Rhetoric was never a highly prized skill in the British culture: we like to believe that we always make up our own minds about things, by weighing up the facts, and the thought that somebody might be trying to sway us or influence our opinions is intolerable. There is a similar element in the American culture, but mercifully counterbalanced by the fact that Americans are on the whole far less snooty about commerce than the British, and don't generally consider marketing such a demeaning or worthless activity.

Wherever you go, branding places is an emotive subject. As Wally Olins observes,[5] people tend to get upset about the very idea of a national brand. Somehow, when the fiendish tricks of marketing are applied to something as sacred as the nation-state, all hell breaks loose.

Insults are heaped on the heads of brands, marketers and policymakers alike—'spin', 'gloss' and 'lies' are the most commonly heard in this country. In my own work, helping to improve the prospects of emerging markets through better branding of the country and its products, I am often accused of 'rewriting history', 'social engineering', 'cultural pollution', 'exploitation', 'condescension', 'neo-imperialism', and worse.

But as Olins says, countries have been branding themselves systemati-

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cally and deliberately for many centuries: what appears to bother people is simply the vocabulary. So I am well aware that putting the words 'brand' and 'nation' in the same sentence is guaranteed to raise hackles; and I am equally aware that my attempts to defuse the debate may, at least in Britain, be a waste of breath.

Most intelligent observers of world affairs understand that the success and influence of countries is always composed of a balance between what Joseph Nye, a political scientist, calls 'soft' and 'hard' power; and the two are not opposed. There are times when only coercion can achieve the aims which a government, rightly or wrongly, wishes to pursue, and this is hard power; other ends can only be attained through the exercise of cultural, intellectual or spiritual influence—as Nye says, 'a country may obtain the outcomes it wants in world politics because other countries want to follow it, admiring its values, emulating its example, aspiring to its level of prosperity and openness'.[6] Soft power, he says, is making people *want* to do what you want them to do. National branding is about making people *want* to pay attention to a country's achievements, and believe in its qualities. It is the quintessential modern exemplar of soft power.

The implications of Nye's theory for my argument are clear: you can only wield hard power over countries which lie beneath you in the hierarchy of nations. For emerging countries, which lie beneath the rest, the only power which they can hope to wield is soft.

The vocabulary is immaterial: one can call these principles of soft power 'marketing' or 'branding', but one can equally call them psychology, diplomacy, rhetoric, politics, the art of persuasion, or plain good sense.

What matters is whether they work or not. And they do work.

Global brands from emerging markets

The export brands of emerging countries are a good starting-point.

Experience shows that nation-branding programmes seldom achieve anything useful, or even get off the ground, unless they are backed by solid commitment by both government and exporting companies.

Brands also have a particular power to accelerate and lead changes in the public perceptions of countries: commercial brands, whether we like it or not, are increasingly important vectors of national image and reputation, even of culture.

Since the mid-1990s, I've been trawling the developing world for examples of companies which are exporting their own products under their own names, and have seen enough of them—nearly 200, at the time of writing—to believe that this phenomenon is rapidly spreading, and in some cases is likely to become, or is already, of great significance to the prospects of the country where the brands are produced.

Some of the emerging market entrepreneurs who, often against great odds, are succeeding in becoming brand-owners include the following. In many cases, the rapid growth of their businesses tells its own story:

- a Thai sweatshop which has started to export its own branded garments (and making many times the profit it did when it manufactured for American brands);
- a Mumbai chemicals' company which is taking on the Parisian fashion houses at the perfume game, and winning;
- the Hong Kong businessman making a global fortune out of Chinese chic;
- the Russian entrepreneur who has created a premium international vodka brand and now wants to follow it up with banking services and become Russia's answer to Richard Branson;
- Infosys, which is making Bangalore the global capital of IT services;
- the Czech furniture business which markets itself with art, and is taking on the multinational giants.

Making it happen

One thing needs to be stressed at this point. The basic concept of *Brand New Justice: the Upside of Global Branding* is aimed more at transition economies in the "second world" than at the least developed countries.

It is certainly worthwhile debating whether the same arguments can be usefully applied to the desperately poor and chronically indebted countries, and some interesting work is being done which seems to prove that there are benefits to be achieved in this area, but it is not the primary focus of the book.

In most LDCs, the companies able to "fast-track" to becoming brand owners simply don't exist, and the only sensible national communications strategy is to generate immediate aid and investment. If a country isn't able to provide food and shelter for its population, or if its main problems are disease, illiteracy and war, then talk of enhancing the image of its exports and of the country itself would be, to say the least, misplaced.

Creating a branded export business requires many conditions to be in place: companies which are competent to manufacture to the standards required by consumers in whichever market they are sold; a legal and financial system which makes manufacturing and exporting feasible, enables the company to offer reliable deliveries of its products abroad, and allows people who make a legal profit to hold onto it; a national IT and telecoms' infrastructure which enables the company to "plug in" to the global economy; a stable and business-friendly government with fair and consistent taxation policies; a reliable supply of raw materials; a labour force with the necessary skills and creativity; a stable currency and a dependable banking sector; access to sources of capital; and the list goes on.

Planning a national branding strategy also requires certain conditions: the political resource and will to collaborate fully, fairly and transparently with the private sector; a feasible and coherent plan of economic and social development which can form the basis of the brand strategy; sufficient goodwill and trust with companies, organizations, local and regional government, city authorities, the civil service, trades' unions, the tourist board and the population at large to create widespread acceptance of the strategy; and a degree of basic financial stability. Perhaps most importantly, the project needs the personal backing of the "chief executive" of the country, whoever he or she may be, otherwise it is unlikely to achieve anything lasting.

Justice being done

Despite having worked for 20 years in advertising, marketing and branding—or perhaps because of it—I am not an uncritical admirer of the capitalist system or a wholesale supporter of globalization in all its manifestations.

However, these techniques of marketing are the ones which I know well enough to appreciate their power to do good, and my hope is that in sharing these thoughts, some of this wasted power can be harnessed.

Part of the reason why the central idea of *Brand New Justice: the Upside of Global branding* appeals to me is because it also represents an opportunity for my own industry to do itself some credit, and undo some of the harm that it has done during the past century.

Until recently, by and large, this harm has been done innocently. But for at least the last 15 years, anyone who has claimed that helping first-world companies to increase their profits is just a job like any other, and has nothing to do with ethics, is being highly disingenuous, and treading on rather thin ice.

Yet many marketers do so, and it may be one of the reasons why the industry is having increasing difficulty in attracting graduates of the quality who, 10 or 15 years ago, were queuing up at its doors. In the new moral and ethical climate in which we find ourselves, a company which can only justify its existence in terms of increasing shareholder value may well find that recruiting people who are good (in every sense of that interesting word) becomes more and more of a problem.

Brand New Justice: the Upside of Global Branding is not a solution to all the world's problems, and it's certainly not the only solution to any part of them. But its implications are, I believe, significant: sharing wealth means sharing the access routes to wealth, and it would be a fine thing if marketing could help to show the way.

The critics of globalization are rightly perturbed by the idea of rich countries using their brands to create "consumerist desires" in poorer countries which the inhabitants of those countries can't afford to satisfy. My modest proposal is that we should seek for ways to reverse the model: let the entrepreneurs and workers in poorer countries create the desires in the minds of consumers who *can* afford to satisfy them.

The fact is that we can't have it both ways. Either marketing works, and it is a powerful tool for change, in which case it must admit responsibility for the absolutely central role it has played in creating the ever-widening inequality between rich and poor during the last century; or else it is nothing, and has enriched itself over the decades without giving any value in return, and can play no useful part in the huge tasks which lie ahead for humanity in the twenty-first century. •

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Notes

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***Beyond Branding:* a call to action**
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But just suppose that those powerful corporations and brand-owners were distributed around the world a little more evenly. Suppose that some of the global mega-brands were actually produced by and owned by companies in much poorer countries. How different would our concerns be today if the companies whose products were manufactured in the sweatshops of Puerto Rico and China were actually Puerto Rican or Chinese? How would our corporate social responsibility agenda look if Nike were Nigerian or Pepsi Peruvian?

The shift is already happening, say the authors. Dealing with nation branding and the forms of social responsibility, they examine what could result. And while the chapter sounds conceptual, once again—as expected from the very practical Anholt and van Gelder—it is founded firmly in reality and what is happening today.

Ian Ryder's chapter similarly sounds conceptual at first glance, dealing with anthropological issues. But he warns readers that ignoring human history is dangerous. If brands do not evolve, then they are in trouble. They are social constructs and to be relevant, they must be responsible and transparent, and aligned with society.

Jack Yan's 'The Brand Manifesto' almost brings the book full circle to its roots. Restating the manifesto's eight points, he looks at the emerging consumers and their demands. They are socially responsible now, as evidenced by the firms already founded by young enterpreneurs. And if companies choose to survive for the long term, Yan gives a similar warning to Ryder: brands have to align themselves with these values as quickly as possible.

But not all the brand sins have been covered at this point. Alan Mitchell's 'Brand Narcissism' attacks how brands are superficial, used for self-glorification. If a narcissist does the following: