

# **Brand Dynamics and Eco-motive strategies**

## ***Introduction***

For more years than I care to remember, I have been involved in addressing brand issues in various forms for organisations of all sizes and across a variety of sectors. Over that time I have become increasingly uneasy with some of the traditional approaches to branding, and brand development. My concern centred on the static nature of many approaches compared to the dynamic ways a brand lives in the marketplace. Strategies are crystallised, and then it is the task of brand managers to try to deal reactively to changes within the market, the economy, and the organisation.

I recalled reading part of a paper by psychologist Steve Duck, a specialist in relationships. He maintained that one of the problems with human relationships is that people expect them to be static and unchanging, while of course they are dynamic, changing over time as the individuals change in response to each other and their wider environment. If relationships are understood as dynamic systems, those involved would be more prepared to accept their changing face.

It is apparent that brands too are dynamic systems – they exhibit a life of their own. There is a network of interactions within the organisation, and of course the organisation as a whole and its various functions and agents interact with the greater world outside. But none of these network nodes is independent, and none is passive. All react to stimuli from each other and from the much wider environment. The brand itself is emergent from these interactions, neither the driving force nor the product of the organisation's actions alone.

The key fact of course is that change in any single network node will tend to affect the brand and its perception.

So does it necessarily mean we can only be reactive to change? Is the only meaningful brand strategy an organisation can apply simply to wait and see, and respond to internal or external changes to keep its brand on course?

This was the challenge: to create a strategic approach to brand analysis and planning which could embody at least a measure of predictive control. There are a number of levers that an organisation can pull to control its brand and these are the core of traditional brand strategy and positioning. But there are many factors outside the organisation's control and key amongst these are economic conditions and the psychology of the greater public. Many times have we seen powerful (and not so powerful) brands meet their nemeses upon one or both of these two obstacles. It was the understanding of how these two factors are interconnected which provided a direction to establishing a method of dealing with them.

I was fortunate to attend a seminar where the subject was the linking of anxiety with economic cycles. At defined points in the economic cycle populations display differing levels of anxiety, which are manifest in differing patterns of behaviour. By harnessing this concept together with a systems interactionist model of brand values we can arrive at a strategic method of brand analysis and positioning which can take regard of predictive planning in place of reactive response.

## ***The Dynamic Brand***

Brands are not static, and nor are the driving factors behind the brands necessarily those within the direct control of the stewards of the brand. The brand and its values are constantly changing over time, but there is the mistaken expectation that by maintaining internal

corporate positioning of the brand, its market or cultural position will be maintained. Cultural perceptions of the brand will change despite the maintenance of internal values. Public perceptions of industry sectors changes – take for example the motor industry, scientific research based organisations, public utilities etc. Changes in public perceptions then go further than being simply external views. Employees and managers within those companies also shift their opinions, of both the organisation and their view of their role and their own esteem. These internal dynamics cannot fail but become part of the chain reactions directing the core brand values. Properly directed they allow the brand to develop and its values to keep pace with changing cultural positions. However, such dynamics if neglected can tear a brand apart.

Cultural dynamics reflect social change, but they go further. They reflect emotional change. Comfort, stability, anxiety, and uncertainty in society affect brand perceptions.

The brand should be seen as a complex interaction of relationships both physical and cultural. Just as the dynamics change, so the relationships change and so the brand and what stands for changes.

### ***Systemic Networks***

The brand should be seen as part of a systemic network which includes the brand in social context and the factors acting upon it externally and internally. For example, a social change such as (say) a recession will affect a population emotionally and their perception of a brand in that context will change. Management within that company may take certain actions in response to either or both the economic conditions or the brand position. Those actions will effect the brand perception. However, at the same time, management and staff within the company are also being affected (a) by the economic climate and (b) by the change in their perception of their own brand in the context of that climate. They may adjust their thinking, become more or less optimistic, anxious, aggressive or confident. Their emotional state will impact upon their own decision-making regarding the brand, the values they associate with it and ultimately the brand direction.

### ***Who owns the brand?***

Ultimately, it is the public who owns the brand. The organisation merely has stewardship of the brand and more explicitly, the brand values.

### ***Brand Psychology***

Often the audits of brands and their performance are primarily financial. They depend heavily upon brand performance and comparative performance. However the emotional properties of a brand, while often researched when organisations wish to improve or adjust brand perceptions and positioning, are rarely used as measures of performance or applied as predictive tools.

I would argue that the emotional aspects of brand values are the most important and most fragile assets. In its most exaggerated forms, damage to the emotional and cognitive properties of a brand can be catastrophic – we need only consider such examples as Nestlé, Anderson, Lloyds etc.

More usually the effects are less obvious and more insidious. One of the most revealing tools for assessing brand values and dynamics within an organisation can be discourse analysis – analysing the day-to-day language used.

Externally though, people's emotive and cognitive states will dramatically affect their perceptions and predisposition towards brands. Naturally there is little brand stewards can do to respond to any individual's emotional state on a particular day, but we can look at more global psychological trends in an effort to be both responsive and predictive. For example, in times of recession, or full-employment, global instability or technological advance, we can make efforts to predict the emotional states of either the mass of a population or those of particular sectors.

### ***The Eco-motive Cycle***

How can we predict people's emotional states and how can we use such information to direct brand strategies. One starting point is to look at economic cycles. Long wave cycles include the Kondratieff cycle with a periodicity of about 53 years. We can look at a four cycle model including the Kitchen inventory cycle (3-5 years), Juglar investment cycle (7-11 years) and the Kuznets infrastructure cycle (15-25 years). These map onto the Kondratieff cycle – six Juglars to one Kondratieff etc.

Various theorists have mapped historically significant events such as wars, civilisations, social struggles and technological change upon these cycles. At from the trough at the turn of the century for example we have seen two world wars up to the peak in 1945, and then in the downswing the disintegration of the Soviet Union, Yugoslavia, Czechoslovakia and communism (all products of the first world war) and in the period from the 1950's on the growth of the civil rights movements. Similar global events seem to map onto the peaks and troughs of the Kondratieff cycle.

This territory has been well explored, however, more recently researchers have tried to plot emotionality onto this same curve. It makes sense to assume that when there is (say) instability, people's emotional states will change and these will effect their perceptions and buying habits. In times of social and financial instability they will chose brands and products which reflect virtues of reliability and dependability.

A balance between supply of jobs and supply of labour can be categorised as a shortage so far as employers are concerned with market forces directing them towards wage increases and concessions rather than layoffs. Wealth reconcentrates in the hands of the middle and lower classes who spend more quickly and in smaller amounts increasing the velocity of money. The result is a rising tide which is concurrent with peace. During such times we can expect optimism and positive emotionality – people will look positively upon brands which reflect and are conducive such emotional states.

As these conditions persist and as peacetime prolongs a surplus of labour due to births, immigration, technology and banking manipulations erodes the bargaining power of labour and wealth concentrates in the pockets of the few and the diminishing efficiency of concentrated wealth operates to slow the economy. Few would be surprised at emotional effects upon the population (or indeed the various populations) and the brands which will be successful will be the ones which reflect the emotional requirements of their audiences – or the ones which can re-engineer themselves to match the emotional environment.

These emotional states can be utilised in brand positioning. More importantly however, if we can map emotional cycles on long-wave economic cycles they can be predictive and can allow us to plan brand strategies to reflect social dynamics.

## ***Eco-motive brand strategy***

There are a number of models we can apply to developing strategies which reflect the eco-motive cycle:

### ***The Brand Value Model***

Brand values, and their perceptions, are notoriously difficult to manipulate. At the root of the problem lies the question of how we learn about brands: do we learn about them pragmatically, as we would learn a set of declarative facts about, say, geography at school, or do we learn at a less active level, the way children learn the social and moral values of their immediate society?

The answer of course is both – we learn propositional facts from marketing communications at the same time as we develop an emotional involvement with the brand values. We can absorb a great deal of factual information about, say, the current range of Mercedes cars from advertising, press reviews, literature and sales information. But how do we develop our understanding of the brand values, of what the Mercedes brand actually stands for? This comes from a long-standing, social connection with the brand and the way in which the brand has connected emotionally with society. The more established a brand is, the more powerful are these emotional values and the less amenable to change. One of the classic mistakes is to assume that (emotional) brand values can be changed by (pragmatic) marketing communications alone.

If we wish to change brand values, we must change what the brand actually is and does. We must accept that this will take time, and we must be prepared to engage with the fundamentals of the brand and the organisation which has stewardship of it.

The eco-motive cycle, particularly in the context of long wave cycles, enables the development of long-term strategies. It can also aid in the application of shorter-term tactics. For example, the brand values of a luxury car may be relatively unchanging, yet in more emotionally optimistic times the target audience may extend further down the wealth scale. In times of greater anxiety those same values may be relevant only to the more wealthy.

### ***The Value Dynamic Model***

Though brand values are the product of a relatively long timescale, that is not to say they are constant and unchanging. Far from it; as social phenomena they are subject to social forces and are constantly changing and evolving in response to internal and external forces. In addition, values which are highly prized at a certain point in time may fall into disrepute over a relatively short timescale.

The value dynamics of a brand may be progressing along a particular trajectory, while the dynamics of society may be following a divergent trajectory, and velocity. We have seen how the growth of the environmental movement, gender politics and a movement against globalisation have left well-meaning brands with long established values, stranded high and dry.

The challenge for corporate and brand management is to ensure the corporate connection with the dynamics of society. In some cases this will simply not be possible. Social, moral and often technological dynamics can critically damage brands and render them no longer viable – on a wide scale this can be seen with tobacco brands and asbestos products, and in individual cases with certain organisations within the financial and professional services sectors.

Mapping brand dynamics against social dynamics can help understand where a brand is going, and where it should be going. Utilising the eco-motive cycle should enable us to be more predictive of the general trend and to create more meaningful maps.

### ***The System Dynamics Model***

Understanding the social and brand dynamics as part of a system gives greater insight into how the brand can be managed and directed. As well as considering the interactions of the brand with society and the market place, we must also consider the interactions of management, staff, clients, suppliers and all the elements of the supply and distribution chain. The relationship and management of this internal system in its interaction with the external market system is often one of the most neglected: paradoxically, it is perhaps the only area over which the brand stewards have any real measure of control. Brand values are to a major part the product of internal dynamics. Understanding the operation of this system is critical to good stewardship of the brand and ensuring a cohesive vision.

In the eco-motive cycle the whole system can be considered. The economic drivers and the psychological drivers that are operating at any particular time are operating on *all* parts of the system. This includes the internal participants within the organisation. Management of the human resources relative to social change is critical to maintaining a brand relevant to its time.

### ***The Eco-Motive strategy***

There is often confusion about strategy and tactics; in fact there is often confusion about the differences between strategy, tactics, leadership, vision, objectives, and goals. Even many great strategic academics such as Michael Porter and Henry Mintzberg disagree about what strategy really is.

Strategy is really about competitive advantage and can be encapsulated by one simple question – ‘how’?

The first fundamental principle is to define an objective – the strategy then should follow naturally as the ‘how’ to achieve it. Strategy is not a plan or a hundred page report, but should be able to be distilled to a single sheet of paper.

If strategy is the ‘how’, tactics are the ‘what’ – what you do to implement your strategy to achieve your objectives.

Deciding or agreeing that all important corporate or brand objective should be clarified with reference to the eco-motive cycle. However, one of the fundamental problem is deciding exactly where we are on which particular economic cycle before we can make emotional or psychological assessment. Mapping onto the Kondratieff cycle, with its 53 year periodicity is more useful in assessing general trends, particularly as we have a long historic period to view its regularity. The intermediate peaks and troughs can be more problematic. Managing the emotional, ‘deep-values’ of a brand is a medium to long-term strategy so we should not be diverted by these short-term spikes. These can be dealt with by tactical actions, most usually marcoms.

Eco-motive strategy is about predictability, not simply with reference to the economy but to the emotional state of the market and its relationship to the brand over a given period. It sets the objective for a set of dynamic and developing values over time, and provides a framework for marketing, sales, investment and human resource tactical activity.