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Brand as Mask?

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Brands in a Globalized World

Brands – the symbolic entities that convey to consumers the promises and experiences of consumption objects – have become central in many discussions of consumption culture and market processes (Fournier 1998, Holt 2002). Typically, brands have been conceptualized and analyzed either from the supply side perspective of marketers and firms or the demand side perspective of consumers.

On the supply side, marketing managers and brand strategists regard the brand as a site to produce perceived uniqueness of products and services (Aaker 1991); differentiate against competitors (Aaker 1991, Keller 2003); and build intangible value in the form of customer goodwill, trust, and loyalty (Aaker 1996, Keller 1993).

From a consumption perspective, brands play major roles in the idiosyncratic ways in which consumer needs and proclivities manipulate the would-be hegemonic globalization and media discourses (Ang 1989; Fiske 1987; Gillespie 1995). Consumer researchers sometimes celebrate the activist consumers who, with their living room bravado and shopping mall heroisms, mobilize brands as cultural repositories (e.g. Brown, Kozinets and Sherry 2003; Fournier 1998; Holt 2002; Muniz 1997). In the research reporting on consumers’ bold insurrectionary attempts to maintain some cultural and political integrity in rapidly globalizing markets, brands are portrayed as cultural markers (Twitchell 1996), as cultural elements contributing to identity formation (Elliott and Wattanasuwan 1998), as cultural platforms for creating consumer communities (McAlexander, Schouten, and Koenig 2002; Muniz and O’Guinn 2001), as story tellers and vehicles for reinforcing cultural myths (Stern and Schroeder 1994; Stern 1995), and as ethos-defining entities in a media-saturated culture (Arvidsson 2005).

Unlike these treatments of the subject of brands, this article is neither about the brand as marketing tool nor about brand as cultural resource of consumers. Rather, the focus is on the shifting dialectic between two modes of production that pulled apart during the 20th century. In the 19th and early 20th centuries, the production of the brand originally was closely tied to the production of the branded object. A sign by definition, the early brand nevertheless merely represented the real value – the use value – of the product. In other words, the brand was not yet considered valuable in and of itself. In the postmodern marketplace of the 20th and 21st centuries, mass production churns out virtually indistinguishable commodities whose market value depends on the signs that represent them (Baudrillard 1988; Holt 2000). Nike was the first sports apparel manufacturer to recognize that the “value of its shoes” is manufactured not in the subcontracted factories of China or Vietnam (Korzeniewicz 1994) but in the creative cubicles of the advertising agency of Wieden and Kennedy in Portland, Oregon, near Nike’s headquarters. Nike is thus quintessentially a marketing company and not a manufacturing company (Willigan 1992).

What is at stake in this process of separating use value and sign value is more than the emergence of brands as free-floating cultural signifiers (Hall 1997), adding seamlessly to the sea of semiotic meaning from which empowered and often mischievous agents create personally enriching identities. The semiotic decoupling of signifier and signified also points to the transformation in the regime of production of global business organizations. As late capitalist corporate production
networks become increasingly global and complex, they also become more and more unaccountable for the social and cultural effects of their modes of operations. In this context, the corporation becomes the prominent site for controversial economic, social, and cultural politics; and thereby a representative target of anti-corporate coalitions composed of nongovernmental organizations (NGOs) and other activists trying to hold globe-spanning conglomerates accountable for their practices. Often completely detached — physically, socially, and culturally — from the realities of sweatshop production facilities and child labor, corporations “manufacture” brands in the creative milieus of New York, London, and Berlin. Advertising, the prime vehicle for brand production, often no longer displays the product it is supposed to represent (Tinic 1997). So, in the age of postmodern politics of representation, not only do we see the decontextualization of the advertised branded product from the framework of product promotion, we also witness the complete decontextualization of the brand from the processes of product manufacturing.

In this paper we draw from semiotic and postmodern theory of representation to advance a theory of branding in the age of anti-corporate activism and globalized production. Shifting from a strategic business process that is no longer primarily concerned with the representation of products – however playful and abstract – to a consumer market, branding is increasingly about safeguarding the discursive supremacy of the signifier (the brand) over the signified (corporate politics of production). We believe that in order to better understand the role of the brand from a critical cultural and a marketing strategic perspective alike, we need to place our analysis in the context of the parallel struggle over the global division of labor and the struggle over meaning and representation (McLaren 1997, p. 13).

Perhaps ironically, the same changes in signifying practices that – according to the celebratory theorists of rebellious consumption (e.g. Firat and Venkatesh 1995; Fiske 1987; Kozinets and Handelman 2004) – allow consumers in postmodern markets to keep a seemingly monolithic capitalist culture-machine from achieving total hegemony, also enable corporations to structurally separate both the product and the brand from the realities of the “exploitative social relations of global capitalism” (McLaren 1997, p. 69).

We employ the metaphor of the mask to illustrate the result of this semiotic practice. In other words, from the perspective of a critical dialectics of brand and production, the brand often serves the corporate purpose of being a mask, a layer of symbolic production that is capable of reducing controversy to empty canvasses for semantic agreeability. While turmoil and transformations may be occurring backstage in brand-owning organizations or visibly in the marketplace, the brand qua mask presents a relatively quiescent, friendly, reassuring countenance to the consumer. Consider the following processes and situations:

- McDonald’s represents the quintessence of American fast food as a “hamburger chain”. The company has come to realize, however, that to succeed internationally it may have to eventually abandon its hamburger core and only keep the overall thin mask of “fast, clean, fun food” served under golden arches. As a brand, McDonald’s seems launched on a course where the overall fast-food mask will remain, but the core may be transformed. Already, McDonald’s offers McCroket in the Netherlands, Gallo Pinto in Costa Rica, Rice Pudding in the Philippines, and Paneer Salsa Wrap in India (Baker and Sterenberg 2002).

- Following the U.S. invasion of Iraq in 2003, iconic U.S. brand names such as Coca-Cola, Marlboro, McDonald’s, Wal-Mart, Disney, and Gap experienced some decline in sales but, more importantly, sharp declines in perceived brand qualities such as “trustworthiness” and
While the question of whether there is a link between geopolitics and consumer behavior is hardly settled, many of these iconic brands—deriving the majority of their sales revenue outside the U.S. borders—have started readjusting their images to be seen as "global" rather than "American" brands. The brand masks are being repainted in global colors rather than American red, white and blue (Roberts 2005).

- With landmark court judgments against tobacco companies, for Kraft (and its brands such as Post cereals and Oscar Mayer meats) the enwrapping corporate brand of the "tobacco giant" Philip Morris as parent became troublesome. Philip Morris rebranded itself as "Altria" to create a neutral and hopefully benign mask under which the non-tobacco brands of the company could flourish. To scrub and clean the sullied "Philip Morris" mask, Altria’s Philip Morris division also launched an aggressive advertising and public relations campaign, touting the virtues of the U.S. constitution and later offering health advice.

In all these cases, the brand is the final face of the product. Brand is the visage that appears at the end of global value chains, the long and complex networks of global production and distribution, and finally presents the object to the consumer. To the consumer, the brand is the visible mask overlaying the complex behind-the-scenes processes. The brand represents, usually in simple and unambiguous terms, the specific corporate promise of delivering an implied bundle of benefits and services.

In the overwhelming majority of situations, the consumer does not think of the brand as a mask. A mask implies concealment. To the consumer, the brand appears revealing corporate promises and accountability rather than concealing corporate processes. The brand is the visible, palpable persona of the corporation: "It’s a Sony." Such a definitive and declarative statement is intended to silence inquisitiveness about the processes that lie behind the brand. Making the brand both the subject and the object of the sentence, self-referential phrases like "It’s a Sony", "Coke is it", "Dude…You are getting a Dell" present closed, impenetrable semantic loops to the consumer.

Such strategies of course play out at the level of masses of consumers. Individual consumer responses could and do vary from the intended mass impacts. Consumer literacy regarding brands ranges from very rudimentary to masterfully adept (Bengtsson and Frat 2005) (Schroeder 2002). Exceptionally inquisitive consumers may engage in painstaking forensic work—made easier in the Internet era—and dig behind the brand façade. Others may simply take a blithe approach and treat the brand as a mere identifier, drained of much of the intended signification (Bengtsson and Frat 2005). For the majority of consumers, however, the brand presents itself as a tightly-knit bundle of significations, packaged in the brand skin that the managers and handlers of the brand create.

Only in periods of major corporate restructuring or rapid changes in the economic geography of production or occasional instances of anti-corporate consumer activism, there is some risk that the mask that is the brand may slip or peel off a bit. Consider these:

- On November 1, 1980, Honda became the first Japanese car maker to roll off an American-made Accord from its assembly line at Marysville, Ohio. By this time, Honda’s Civic and Accord brands were already very popular in the United States, and especially in the large California market. As Honda cars started rolling off the assembly line at Ohio, Honda dealers in California frequently confronted inquisitive customers who wanted to know whether a particular car on the dealer lot was assembled in Japan or in Ohio. In those days, many buyers were not convinced that the high quality standards, for which Honda and other Japanese car makers had become famous, would be maintained in the Ohio plant.
In 2003, the Center for Science and Environment in New Delhi, India collected samples of popular soft drinks such as Coca-Cola and Pepsi cola and sent these to reputed European testing laboratories. The tests revealed that these India-made soft drinks had levels of contaminants such as pesticide residue that were 30 to 36 times greater than maximum permissible levels in Europe. For several weeks, there was political and consumer uproar in some of the cities in India, with agitators opening and draining cases of Coca-Cola beverages on the streets. Coca-Cola and other affected corporations countered by claiming that the beverages met Indian safety standards. They also complained that the problem lay in the quality of water they were able to get from government-owned water supply facilities for their bottling plants in India.

In the 1990s, consumer activist Marc Kasky and others sued sporting goods maker Nike. In the law suit initiated in a California court, Kasky claimed that Nike had misled the public about conditions for its workers in Vietnam, China, and Indonesia. Nike, the plaintiffs claimed, mounted a false advertising and public relations campaign, portraying itself as a “model of corporate responsibility” in an effort to boost sales. After five years, the case was ultimately settled out of court but the legal process opened up chinks in the slick “Just Do It” brand mask, exposing the global production chains – of contract manufacturers and workers – that lie behind Nike and similar athletic brands. Groups such as War on Wants continue to scrutinize Nike’s labor practices in the firm’s contract manufacturing units in Vietnam, Indonesia and other countries.

While foreign outsourcing of “call center” work to locations in Ireland or Canada had been going on since 1980s, in the early 2000s major outsourcing of “call centers” that answered toll-free customer service and “tech support” calls shifted to many locations in India. Despite extensive accent training of India-based phone agents and the agents’ use of “phone names” such as “Robert” and “Janet” instead of real names like Rohit and Jaya, most callers in locations such as USA, Canada, UK, and Australia could detect the residual Indian accents of the call center personnel. In the bleak job market of 2001-2004 in the U.S., this provoked consumer and political resistance. Some major brands such as Dell Computers were forced to shift a substantial part of the call center work back to expensive American locations to reassure consumers that tech support would be provided by onshore rather than offshore agents.

In all these cases, the brand masks had slipped – at least for a while. For the brand owners and their representatives, it was no longer enough to proclaim: “It’s a Honda… It’s Nike… It’s a Dell. Period. End of discussion – Stop peeking behind the brand curtain!” Like the poodle Toto pulling the curtain in Wizard of Oz, various economic, political, and social changes had tugged at and pulled open the brand curtain. The seemingly omnipotent but invisible brand wizards, manipulating various backstage gadgets and machines that projected the magical brand images, had briefly come into view.

Brands, of course, did not start out as being expertly managed symbolic entities with often deep cultural penumbras. They evolved into such entities. Let us start by looking at brands historically.

**A Brief History of Brands**

The practice of “trade marking” the producer’s identity on selected products goes back to antiquity, but the formalization of this practice as “branding” is less than two centuries old. In the early part of the nineteenth century, as Texas broke free from Mexican control and became its own republic, establishing and tracking the ownership of cattle in the vast ranches became quite a challenge. The
practice of branding – using a hot “branding iron” to sear the symbol of the owner on the hind side of the cattle – became a common practice. In 1838, José Antonio Navarro, a large cattle owner, registered his brand with the authorities in Texas. The brand incorporated the initials of his name “JAN” in the form of a stylized logo. Interestingly, even in those early days, brand piracy had become a problem – cattle thieves sometimes added small curlicues to cleverly alter the brand of the stolen cattle, and claimed the stolen livestock as their own.

The practice of branding – of communicating ownership and identity – proved to be invaluable not just to cattle ranchers but to the growing American industrial enterprises of the nineteenth century. Seeking mass markets for their products, these enterprises strived to promote – to consumers spread far and wide – genuine items carrying the maker’s “brand names”, with properly registered trademarks. Brand names proliferated quickly in the last part of the nineteenth century. For example, the U.S. Patent Office registered 131 brand names and trademarks in 1871. This number jumped to 1,138 in 1875. By the advent of twentieth century, top brands were already supported by massive advertising: Coca-Cola had an advertising budget of $100,000 in 1901.¹

Having gained a firm footing in the United States by the late nineteenth century, the practice of branding of products and advertising of such products spread globally. Brands such as Nestle infant formula were known widely by the late nineteenth century Europe and Schweppes tonic water was distributed in various parts of the British Empire. Nivea cream from Germany and Michelin tires from France became well known brands in the early twentieth century. As the early advertisement for Lux washing soap shows (Figure 1), the brand of the 19th century represented the product in palpable and tangible ways. The brand Lux represented simply, in a straightforward manner, an easy to use flaked form of soap.

On a theoretical level, the brand has become structurally detached from the use value of the branded product as the sign becomes valuable in and of itself. It is now possible to sell products at premium prices that are materially, physically, and aesthetically virtually indistinguishable from a host of competitor products; but are charged with powerful redolent symbolism and brand imagery. By the 1990s, for example, Lux had evolved from simple soap flakes into a panoply of exotic bathing gels and shampoos with evocative fragrances such as “Oils of the Orient”, “Magic of the Sea”, “Care of India”, “Touch of Silk”, “Garden of Japan”, and “Milk of the Gods”.

During the transformation from a commodity-oriented to a sign-oriented economy (Featherstone 1991; Kumar 1995), organizations come to see the production process of products as a cost driver rather than value creation. Consequently, processes are being devised that minimize the cost associated with the production of the physical good – consider the popularity of management practices such as subcontracting and outsourcing. Conversely, spending for “brand building” has been rising steadily during the 20th century [CITE], underscoring the true locus of organizational value creation (Schroeder 2002). From a production perspective, the organization is engaged in a dual process of manufacturing, one of which routinely happens in the faraway places of low labor costs and benign tax incentives, the other one takes place in the creative urban centers of late capitalist consumer cultures.

From this vantage point, it is no longer sufficient to conceive of branding as a technique for representing a specific product or service. Rather, especially in symbolic and socially relevant product categories, brand building has evolved into a self-referential system of post-industrial
production the outcome of which is increasingly unaccountable to the industrial production process of the organization.

Once the brand is “liberated” from the actual product – or to put it semiotically, when signifier and signified are separated – the strategic role of the brand can be defined anew. The latest stage of branding occurs when the brand no longer represents a product but when the brand replaces the product. In such a scenario, the postindustrial mode of production assumes primacy in value creation, thus demoting the industrial labor of the racially and culturally other of the developing world to a distant second. More importantly, the brand as free-floating signifier is economically, spatially, and culturally dissociated from the industrial and locally specific processes of production (see Probyn 1998). We suggest that the final stage of postmodern branding is achieved when the brand no longer acts as a mask for the company’s industrial regime of production, but when the brand becomes its only recognizable and recognized face.

**Impact of Global Production Networks on Brands**

Until the advent of the 1970s, most global brands anchored the reputation and integrity of the brand in specific countries of origin: French perfume, German-made cars, Japanese-made cameras, and so on. In fact, as the first major steps towards globalization of production were made by companies such as Honda, there were nagging concerns about how to maintain brand quality and integrity. Such concerns can be gleaned in the following historical excerpts from Honda, referring to the early 1980s company decision to open an American car assembly line:

> [G]iven the differences in Japanese and American standards, there was a considerable risk of diminished quality. In fact, many believed that HAM [Honda of America Manufacturing] would not be able to produce cars that were of the same quality as their Japanese-made counterparts. This was a critical point, for if any public perception were to arise that HAM-produced Accords were lacking in quality it would be hard to erase. There would be no excuse for mistakes involving quality control.

A system of mutual support was established with … the “mother plant” in Japan… HAM’s Executive Vice President Hiroshi Hayano was to direct the [Ohio] start-up, while in Japan Saitama’s General Manager Takeru Mizoguchi led the support effort.

> “I sent about 300 people, including the best experts and veteran associates, from Sayama to help out at HAM,” Mizoguchi said, recalling the intense period of preparation. Inspections of mass-production performance at the HAM plant went forward at a rapid pace, and whenever defective parts were found, their cause was corrected in collaboration with the associated parts manufacturer. The staff from Japan worked with unfamiliar American equipment, making technical improvements with the help of American manufacturers in order to achieve consistent quality in mass production.

The above shows the great efforts that Honda (and later other Japanese auto companies) went to for ensuring brand quality regardless of the country of manufacture. In the contemporary context, however, in terms of maintaining a tight-fitted and unitary brand mask, these challenges of an emergent bi-national production regime appear relatively simple.
With increasing globalization of production, the tasks pertaining to how a brand is crafted, shaped, engineered, assembled, packed, signified, distributed, and presented get constantly and minutely subdivided and distributed across continents and countries. Economic considerations drive each of these subdivided tasks to global locations where the costs are low or profit opportunities are high or both. The numbers of “hands” that dip into the bubbling global “brand pot” multiply and so do chances for “contamination” of the brand. Brand consultants have come to realize that delivering consistency of experience is becoming a huge challenge:

[A major challenge for global brand managers is..] how to operationalize your brand throughout your organization. What I mean by this is how to ensure that everyone throughout your organization, whether it’s the people in your call center or the sales clerks, understands the brand's promise and their role in bringing the brand to life. At every customer touch point, you have an opportunity to either reinforce the brand’s promise or denigrate it (Davis 2002).

Increasing intensity of globalization means the possibilities for denigration or contamination of the brand also increase, at least until the brand-owning corporation figures out ways of enforcing brand standards under conditions of finely-splintered globe-spanning value chains.

**Multinational Brands: The Struggle to Refit the Masks**

At the level of symbolic communications, multinational corporations as well as many nonprofit organizations go to considerable lengths to specify and enforce “brand integrity” guidelines. These are detailed rules of how the brand can be depicted or rendered, in various communications media. The following typify the recommended approaches to creating and maintaining “brand integrity”:

These [brand integrity] guidelines must take every conceivable application and question into account — from identity usage, to positioning, tone, brand hierarchies, colors and templates for every communication channel. Leave nothing up to chance. And make sure that this information is available to everyone globally in a format that is most useful to them, not the method that is easiest for you (Simons 2004).

The challenge that multinational corporations face is to keep the “brand mask” on tightly, without distortions, under conditions where people other than those subject to corporate hierarchical control begin to probe the brand and its antecedents. While the corporation can dictate to employees, dealers, paid media and such; it can do very little when the brand begins to be deconstructed by activists, ordinary consumers, non-authorized intermediaries, politicians, and investigative journalists (Klein 2000a).

**Slippage, Imitation, and Flagrant Unmasking**

With globalization, not just products and their components cross international boundaries, so do consumers. People travel abroad in various roles such as tourists, business executives, technicians, or workers — and their consumer persona travel with them. With consumer crossing boundaries, instances of the brand mask slipping inadvertently or small traders and other informal-sector people deliberately and flagrantly violating brand identities multiply.
In the grey world of brand piracy, off-brands, “seconds”, and imitation “knock offs”, the brand-mask dynamics takes on interesting twists. At one extreme are “grey market” branded products in perfect condition, which have gone through the full gamut of quality scrutiny. These items, however, have slipped out of the last few links of corporate-authorized distribution (or circumvented the value-added-tax or VAT collector), and entered the alternative “grey market” channel. These grey channels in fact put in enormous effort in maintaining the integrity of the brand in every possible way – like the corporate brand owners, the grey marketers abhor the slippage of the brand mask. The grey marketers go to great lengths to assure the customer that the brand is the genuine article. Of course, these grey marketers do not offer the ridiculously deep discounts that knock-offs, “seconds”, or imitation sellers offer. Grey marketers offer the branded products at prices only marginally lower than the corporate-authorized channels. Grey marketers want the brand mask held as tightly as the brand owner, but want to tantalize the customer through a somewhat lower price obtained by skirting taxes or authorized channels.

At the other extreme are the brand pirates, copies, knock-off artists, and other imitators:

It is as much a rite of the New York holiday season as sidewalk Santas or crowded Fifth Avenue sidewalks: the proliferation of hawkers selling counterfeit products like the fake Fendi handbag, the replica Rolex watch and the pirated DVD… In a report assessing the economic consequences of the counterfeiting industry, [New York City] comptroller estimated that more than $23 billion in counterfeit goods changes hands in New York City each year…City officials and counterfeiting experts from the fashion and entertainment industries say that it is not just Times Square tourists who buy pirated products. New York natives are [also] interested in bargain-hunting for knockoff Kate Spade handbags and Louis Vuitton look-alikes, too … the city’s role in the counterfeiting industry is in itself staggering, the comptroller’s report suggests. New York City accounts for roughly 8 percent of the $287 billion in counterfeit goods sold in the United States, the report said. And the comptroller said that the city’s large population, its popularity as a tourist destination and the volume of merchandise that moves in and out of the Port of New York make it a major center for such illegal trade activity. More than $456 billion in counterfeit goods are exchanged worldwide each year… (Dash 2004).

In between “grey markets” and “knock offs” are brands that are somewhat imperfect – in terms of physical quality, timing, or some other aspect. This category includes “seconds”, overruns, unsold inventory, end-of-season merchandise, and so on. The Canadian firm Overrunz makes the following promise to buyers:

Overrunz value proposition in the commercial supply industry is that we obtain our current available inventory from manufacturers, bank trustees, and liquidation companies involved in distressed situations at very low cost. Thus we are then able to pass along huge savings on large quantity buys of brand new consumer electronic, and computer merchandise at a much lesser cost than buying through traditional supply channels. The product offered on the Overrunz website is typically a recognizable brand name, is either brand new, or manufacturer refurbished, and will always offer a warranty.
Since the various leakages and brand compromises just discussed cannot be controlled, the corporate owners of the brand themselves jump into the game of presenting the brand outside of regular, “high street” distribution settings. To counter the various off-channels, brand owners open up or encourage “factory outlets” and “outlet stores” where the brand is offered purportedly in an outlet that is authentic and brand-approved but somewhat discount-oriented in terms of pricing. In effect, the “outlet” channels attempt to recapture the “grey markets” and bring these into the brand-corporate fold.

**Conceptualizing the Brand-Mask Dynamics**

There has been a historical transformation of brands from revelatory symbols, laying bare as many aspects of production and distribution as possible, to egotistical and self-referential masks that project enchanting and appealing images but conceal complex global processes. The political and cultural forces behind such changes have not yet played out – in fact, they may be accelerating in this era when the certainty of modernity is waning (Fırat and Dholakia 1998, Fırat, Dholakia and Venkatesh 1995).

The conceptualization of brand as mask captures the dualism and tension of the contemporary global brands. Such brands are powerful cultural icons, beacons of corporate identity and pride at one level; and opaque masks at another level. The notion of mask itself is dualistic. A mask conceals what is behind it; yet, is ultra-expressive in that the visible parts can be remolded, repainted, and re-valorized. I turn now to the economics, politics, semiotics, and cultural aspects of the “brand as mask” formulation.

**Political Economy and Interorganizational Relationships**

The political economy of the globalizing production networks of brands is driven by cost considerations of corporate players and economic development considerations of national and regional entities. Faced with continuous and intense competition, the corporate brand owners are constantly on the lookout for production locations where some or all parts of the brand production-distribution cycle can be shifted to cut costs. As competition intensifies, even shaving a few pennies off the cost structure becomes important. In high volume markets, every fractional dollar saved by the brand-owning corporation creates sizable “bottom line” impact on the financial performance of the corporation.

National, provincial, and city governments in the emerging economic regions represent the other side of this political economic equation. These entities are constantly on the lookout for attracting some (or all) parts of the production-distribution cycles of multinational brands. When such production “outsourcing” occurs, there are visible as well as invisible political and economic gains. In visible terms, the outsourced jobs that are created in the developing region – although at wage rates that are mere fractions of advanced-country wages – still typically pay wage rates substantially above prevailing local rates. The reviled “sweatshop wages” of the developing nation plants, ironically, often create a labor aristocracy in relation to the local population. The fractional-cost workers (in global terms) of the developing region – aided by favorable “Purchasing Power Parity (PPP)” value of wages paid in the local currency – are able to sport well-off lifestyles that belie the low dollar wages. In political terms, this usually translates into votes from these workers in democratic settings or a quiescent, non-agitating populace in non-democratic settings. The political power structure also benefits in invisible ways. Through corruption, some part of the surpluses of
the brand-owning corporations often end up in the secret coffers of high ranking politicians and bureaucrats who control the entry conditions and permits of new plants. Also, the connections with multinational corporations create opportunities for the political rulers and their families and friends for foreign travel, foreign education, and emigration to advanced countries.

For political reasons, for both the brand-owning corporations and their local political patrons in the developing regions, it makes sense to keep the outsourced plants and operations out of the glare of media. Excessive attention from media and activists could spawn a host of problems: questions about occupational conditions and safety, protests from displaced workers in the advanced nations, and even consumer boycotts of sweatshop-produced brands (Klein 2000a, 2000b). The political interests in the developing regions, thus, demand a tight grip on the brand mask – slippages of the mask could create potential political problems and adverse economic impacts.

In fact, it could be argued that in such cases there is a political struggle on as to which brand mask to fit on the corporate processes. The brand-owners want the quiescent, reassuring, and benign masks to stay on while the activists, after exposing the backstage workings of the brand-owners and their allies, attempt to paint a deceitful and overly grim mask of “big logos harboring secret sweatshops.”

Once a brand mask is peeled, however, the political-economic dynamics often change. After its “contract factories” in China, Vietnam, and Indonesia came under intense activist and media scrutiny, Nike changed the policy of keeping the outsourcing efforts under wraps. Instead, in locations such as Vietnam, Nike appointed savvy public relations people who gave foreign visitors tours of its model “contract factories” to show how superior the working conditions in such factories were in comparison to the typical “sub-sweatshop” working conditions in that country.

Overall, in political-economic terms, in the early stages of globalization of the production-distribution cycle, the interests of the multinational brand owners and local power structure in the developing regions coincide. Both sides want quiescent, reassuring brand masks to stay on tightly. With maturing of globalized production, however, these interests could diverge. Multinational brand-owners may want openness – allowing scrutiny behind the brand mask – for legal, public relations, and economic reasons. Local power structures in developing regions, however, may not be quite ready for such scrutiny as the prying eyes of activists may reveal the circuits of power and money that the local elite benefit from.

**Semiotics of Brand as Mask**

With intensifying globalization, there is a semiotic reversal in terms of what a brand represents at the level of production. In a world where markets were local or at best national, brands were meant to signal and convey the integrity of the producer and the production process. A branded item signaled to the consumer the origin of the product, provided assurances about the place and methods of production, and certified that the brand-owning corporate entity stood solidly behind the brand. In effect, in the past, a brand signified authenticity in all aspects of the production-distribution process.

In a globalized world, the brand signifies authenticity in but one dimension: the brand itself. With myriad co-branding and co-marketing strategies in play, a brand sometimes does not even authenticate the brand-owning corporate entity, let alone any aspect of the production or distribution
process. The brand as a sign has become increasingly circular and self-referential: a brand is what it is because of what it is. The incipient consumer question of “what is it?” is answered by referring to the brand itself: “It’s a Sony”, “Coke is it”, “Gotta have it [Pepsi]”. A closed loop semantic trap is created – the referent and the sign are the same.

In fact, a semiotic function of the contemporary global brand is to mask many aspects of the product that the brand represents: its origins, ingredients, production processes, technologies employed, human relations practices, pricing methods, and distribution channels.

This of course is a difficult function, laden with contradictions. Increasingly sophisticated consumers are able to “do their own research” and peek behind the brand curtain. The self-referential and self-indulgent claims of the brand often ring hollow. With forensic effort, consumers sometimes are able to see through such claims. Thus, in global markets where “seconds” abound in local retail markets, sometimes the consumers are able to ascertain – via communication channels outside the corporate control – that a deep-discounted “seconds” item is in fact the genuine article. Similarly, in advanced country markets, consumers are often able to correctly judge that a private brand or house brand is exactly the same thing as the comparable, higher-priced global brand displayed on the next shelf. When such forensic efforts of consumers are successful, the brand-owner’s ability to charge premium prices and command an economic rent is threatened.

In semiotic terms, global brands – particularly the powerful, iconic ones – increasingly walk a tightrope. The brand-owners employ self-referential semantic loops to promote a general sense of bonhomie about the brand. As the consumers become increasingly brand literate (Bengtsson and Fırat 2005) and sophisticated, the imagery required to project brand bonhomie also has to become correspondingly sophisticated. The overall rise in sophistication and literacy, however, also implies an increase in the forensic ability of the consumer. The consumers who chuckle at the “in” jokes and innuendos of the brand image-makers are also smart enough to peek behind masks and figure out the processes that sustain the market façade of the brand. This could be problematic for the brand-owning corporation, if the consumers turn adversarial or opportunistic.

**Cultural Perspectives**

The political economic forces and the semantic loops associated with global brands, while trying to keep the mask stretched snug and tight, also promote the consistency of the brand. Cultural influences, on the other hand, often exert pulls and tugs on the global brand in diverse directions and threaten the unitary consistency of the brand mask. Consider the menu offered by McDonald’s at its restaurants in India (see Table 1). The menu has been designed to appeal to a predominantly vegetarian populace. Even the items that are not vegetarian are limited to a few chicken sandwiches and a fish sandwich. Curry items have been added to cater to local tastes. Vegetarian and non-vegetarian items are color-coded on the menu as green and red, respectively.

| Table 1 about here |

From a global brand perspective, hardly 10 percent of this menu would be recognizable to a typical McDonald’s customer from North America or Europe. Cultural imperatives of operating in India have compelled the brand McDonald’s to be basically a veneer of golden arches, stretched thin over
a menu containing just a vestige of the original American menu – and a complete absence of signature items like Big Mac and Quarter Pounder. In fact, McDonald’s goes to great length to explain how culturally sensitive it is to India’s vegetarian sensibilities. It makes the following claim in its Indian website:

We are committed to giving you wholesome, healthy, and delicious food. We ensure that the cooking area as well as cooking equipment for vegetarian products is visibly segregated from the non-vegetarian sections. What’s more - our crew members cooking vegetarian food items are identifiable by their green aprons.

The McDonald’s India menu is a clear corporate response to the cultural demands and expectations of a potentially huge national market. Similar demands are being addressed or considered by multinational corporations as they realize that the sources of future growth, for decades to come, will not be in the rich and advanced nations but in the huge emerging markets of Asia, Latin America, and Africa. To reach market segments in emerging markets with positive but very small discretionary incomes, multinational corporations are being exhorted to adopt “bottom-of-the-pyramid” marketing strategies (Prahalad 2005). Considerable experimentation in all aspects of marketing, including branding, can be expected as companies race to address markets that were unaddressed for centuries. Brand masks will be stretched to the extent possible but also new, “value brands” will be launched.

In fact (and a bit ironically), the seeds of the cultural imperatives for creating “bottom-of-the-pyramid” brands are already visible in the most advanced markets. Consider the phenomenal success of Trader Joe’s house brand wine, affectionately nicknamed “Two Buck Chuck”:

Charles Shaw is actually a table wine…a nice, easy drinking wine sold exclusively at Trader Joe’s stores. The real draw for this wine is its rather humble price tag. The price is so low, some have deemed it “Two Buck Chuck”… The affectionate nickname… is inspired by its price ($1.99) in Trader Joe’s stores in California. Our guess is someone thought that since the wine is so inexpensive, it deserves a less formal nickname. “Charles” is so $8.99.

In cultural terms, this shows the ability of the consumer (urbane sophisticates, in this case) to completely rip the brand mask and seek value in an aggressive manner.

The cultural competence of consumers, in terms of knowing about products and understanding marketing processes, is increasing. Up to now, brand-owning corporations have responded to consumers in a variety of ways that show levels of flexibility that were unheard of in the past. While flexibility of offerings – and the concomitant processes of customization and personalization – are important to consumers, these are not enough. With rising market-oriented consumer competence, brand-owning corporations would be under pressure to do much more. Eventually, they would have to open up the entire ideation-creation-distribution process in ways that not just offer wider choices to consumers but empower consumers via participatory and decisive roles.

Turning the brand into a cultural platform on which brand owners and brand consumers can meet and communicate is salutary and subversive. It is salutary in that the commonweal of the brand culture cements loyalty to the brand. It is subversive in that the cultural capital of the brand
gradually begins to slip out of corporate hands – the fate of the brand becomes an increasingly public rather than a private corporate matter.

Reflections on Future of Brands

Contemporary brands are caught in the strong crosscurrents of galloping economic globalization, explosive cultural diversity, and growing consumer sophistication (and hence skepticism) about corporate production and marketing processes. The ability of brands to provide corporations with a failsafe rudder in periods of growth and a heavyset, stable anchor in mature markets is declining. In a *Wired* article entitled “The Decline of Brands”, James Surowiecki (2004) counters conventional marketing wisdom about the rock-solid stability of brand equity. He reports:

In one recent survey by Landor Associates, 99.5 percent of people said they’d be willing to pay more for a Sony. But the size of that premium is smaller than ever. Five years ago, Sony charged 44 percent more for its DVD players than the average manufacturer. Today, Sony DVD players cost just 16 percent more than the average. And yet, even though the price of Sony’s most expensive DVD player fell 60 percent between 1999 and 2003, CyberHome, maker of absurdly cheap DVD players, has knocked off Sony to become the biggest DVD-machine seller in America.

From a geopolitical and economic perspective, multinational corporations (driven by Wall Street pressures) have little choice but to continually analyze all processes – production as well as symbolic – and to outsource process segments to those global locations where high quality can be obtained consistently at low, low prices. This means the brand mask has to stretch ever thinner to enwrap production, marketing, and delivery systems that are growing and spreading in global complexity. In this process, the thinning masks are going to rupture and leak at places. In an environment of global citizen-consumer activism, brands therefore have a couple of choices. One option is to invest in expensive public relations arsenals, usually to fight rearguard battles after a brand has been compromised in some type of global scandal. The other option is to begin to co-create the entire production-marketing-consumption experience with the consumers – in effect letting citizen-consumers fully behind the brand curtains and letting them be orchestrator of brand properties and experiences. After a decade of activist scrutiny, Nike made a significant move in this direction. While not quite allowing consumers to orchestrate the brand properties and experiences, in April 2005 Nike published its entire list of 800-odd contract manufacturing factories (Skapinker 2005). Nike expected such publicity to lead to closer activist scrutiny of working conditions in these factories, unearth problems that need to be fixed, and thereby lead to more quality conscious and productive workers. In effect, Nike was allowing unfettered access to activist consumers to monitor the physical (though not symbolic) production of the brand.

From a semantic perspective, the closed-loop self-referential strategy of brands (“It’s a Sony”) still works but, as Surowiecki (2004) points out in the quote above, the economic rent and premium price commanded by such a strategy is eroding over time. A partial way out of this is also via consumer empowerment. Brand communities, especially if they are democratic and influential in shaping the brand, could bolster the brand (McAlexander, Schouten, and Koenig 2002; Muniz and O’Guinn 2001). In effect, such communities hold the prospect (though not yet achieved) of transforming some brands from smug, self-referential entities to shared and cherished community entities.
In cultural terms, explosive diversity – due to politico-economic acknowledgement of preexisting global diversity as well as proliferating postmodern styles of living – is challenging the stylized straitjacketing that brands often represent. Since even the best of brands cannot be best for everyone in a context of exploding diversity, the brand-owning corporations face stark and radical choices. One option is to fragment the brand endlessly, under some loose corporate brand umbrella, in an attempt to cater to ever-rising diversity. This is happening, and the impact – in terms of loyalty of consumers or premium value commanded – is very little or even negative (Surowiecki 2004). The other option is to open up the brand process – to unmask it fully – and let active and interested communities of citizen-consumers shape the brand(s) to their liking.

**Concluding Comments**

In political, cultural, and even economic terms the logic of ripping up the brand masks and opening the corporate processes to not just scrutiny but control by citizen-consumer communities makes eminent sense. Under prevailing capitalist organization of economic activity, however, the ways of achieving such transformations are not clear.

The brand-owners, under current economic organization, are compelled to maximize returns to those who have invested capital in enterprises. The brand-owning corporations therefore keep looking for the magic bullet that will vanquish pesky competition and piracy, and restore the brand to its mythical past glory.

Forces of technological change and cultural transformation keep undermining the conventional efforts to shore up brand identity and equity. This dynamic will continue of decades to come. There will, however, be increasing instances where even the investors of capital will come to the realization that brands – if they are to remain relevant and vital at all – cannot be the chattel of corporations. The chattel/cattle era of branding is over, and consumer communities will be looking for spaces where there are “branding commons.”

**References**


Klein, Naomi (2000a), *No Logo*, New York: Picador


Figure 1: Early Advertisement for Lux Washing Powder

Excerpts from the advertising copy:
- “Tremendous advance over a cake of soap… Ready to use, no shaving, no chipping required…”
- “In these flakes, Lux contains more real soap than five times its weight in ordinary soaps…”

Source: Excerpted from Lux ad available at http://scriptorium.lib.duke.edu/hartman/
Table 1: Food Menu Items Available at McDonald’s in India

<table>
<thead>
<tr>
<th>Food Item</th>
<th>Category</th>
<th>Vegetarian?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veg Pizza McPuff</td>
<td>Burger</td>
<td>Yes</td>
</tr>
<tr>
<td>Veg Surprise</td>
<td>Burger</td>
<td>Yes</td>
</tr>
<tr>
<td>McAloo Tikki Burger</td>
<td>Burger</td>
<td>Yes</td>
</tr>
<tr>
<td>Crispy Chinese</td>
<td>Burger</td>
<td>Yes</td>
</tr>
<tr>
<td>McVeggie Burger</td>
<td>Burger</td>
<td>Yes</td>
</tr>
<tr>
<td>Chicken McGrill</td>
<td>Burger</td>
<td>No</td>
</tr>
<tr>
<td>McChicken Burger</td>
<td>Burger</td>
<td>No</td>
</tr>
<tr>
<td>Chicken Maharaja Mac</td>
<td>Burger</td>
<td>No</td>
</tr>
<tr>
<td>Filet – O – Fish</td>
<td>Burger</td>
<td>No</td>
</tr>
<tr>
<td>Paneer Salsa</td>
<td>Wrap</td>
<td>Yes</td>
</tr>
<tr>
<td>Chicken Mexican</td>
<td>Wrap</td>
<td>No</td>
</tr>
<tr>
<td>McCurry (veg)</td>
<td>Curry</td>
<td>Yes</td>
</tr>
<tr>
<td>McCurry (non-veg)</td>
<td>Curry</td>
<td>No</td>
</tr>
<tr>
<td>Fries</td>
<td>Fries</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Categorization based on menu available at [http://www.mcdonaldsindia.com/ourfood/](http://www.mcdonaldsindia.com/ourfood/)


1 The statistics in this paragraph are from the advertising history timeline at Duke University’s John W. Hartman Center for Sales, Advertising & Marketing History: http://scriptorium.lib.duke.edu/eaa/timeline.html
2 These excerpts are from the Honda website that describes the Honda of America history: http://world.honda.com/history/challenge/1980establishinghondaofamerica/text01/index.html
3 From the company’s website: http://www.overrunz.com/aboutus.php
4 See http://www.mcdonaldsindia.com/ourfood/veg/
5 From the article “Heard it though the grapevine…” at Trader Joe’s website: http://www.traderjoes.com/new/chuckshaw.asp
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