



BORING-FREE CONVERSATIONS
ABOUT BRANDING AND CONSUMER OBSESSION



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## **FOREWORD**

If I could, I'd ask you to listen to this book rather than read it. Someone once encouraged me to "listen through the eyes"; and this is perhaps what I would like to ask you now, as you begin reading this handbook. Because if you think about it, listening is everything. Listening to others is the most important sign of respect. Plus, if you don't listen, you don't learn, you don't grow, you can't communicate, and you can't be listened to. In part it is a natural talent, which comes from curiosity: those who are curious have no other choice but to listen. We listen to those who know things that we do not know, things we want to learn because we have a real interest in, or because we are forced to, as in school. But in the end everything comes back, what we heard, what we learned, even if we weren't too happy while doing it.

Listening is a trait that distinguishes extraordinary people: how many times have we praised a loved one or a friend for their willingness to devote time to us and listen to what we have to say? Not necessarily because they end up finding a solution to our problems; in fact, often that's not even what we want. But listening to our worries, doubts, and anxieties, as well as our major and minor problems, has such a high value. Listening is a difficult skill to master. It is not enough to simply open your ears; you must also make an effort to pick up the signals, the sounds that come from the outside world and, why not, even those that we hear within ourselves. To do so, you'll need a clear mind, free of prejudice and the filters imposed by our beliefs and habits.

Since I was little, I've always been a curious person, perhaps selectively, but still. And I had great luck, which came without any particular merits: having a family that consistently inspired my listening, my curiosity, and my desire to learn from others, as well as from the innumerable unexpected events to which it exposed me since I was a child.

My family is made up of people who come from all over the world and don't have much in common. A little bit of America, a little bit of Austria, and then a little bit of Italy, but none of them were born in the same place. Diversity taught me a lot, and it's a concept that's all the rage these days, to say the least. You can learn a lot from diversity, both within and across countries, where different languages are spoken, where we eat and have fun in various ways, and where we even study in diverse ways.

I have always traveled a lot, out of necessity, since I was a child, to follow my father's business; journeys that have taken me to faraway places, so different from everything I was used to, and afraid to leave. I spent a few years in Africa, a continent that in the mid-80s was really a remote place, especially if you came from Italy, a wonderful land, but a little closed, with few diversities. Traveling broadens your horizons, it is a great truth indeed. And it lays bare one's own size, which becomes smaller and smaller the more you travel.

My relatives have worked in a wide range of occupations, accumulating incredible, one-of-a-kind experiences. And they had the patience to tell me all about them, to pass on their passions to me, to plant the seed of curiosity and the desire to learn in me. History, perhaps my greatest interest, comes from my father, who is also passionate about what once was. Maybe to figure out why his family had been through so much. My father instilled in me a love of reading, not because I was forced to by school, but because he wanted me to read what I wanted to, as well as what I didn't want to read, but could be valuable to me. I will never stop thanking him for that.

Then there was another stroke of luck: a group of amazing people I met early in my career. Starting with Fiat, where my father spent 35 years of his life, traveling the world. People with a powerful charisma, from whom I learned a great deal, because listening to them was a pleasure, not a burden. People who have provided me with not only an infinite amount of information, but also logic, common sense, the value of relationships, and a way of doing things; all of which have deeply impacted my identity as a man, even before I became a professional. People who saw diversity as a source of enrichment, who never pushed for homogenization, and who knew how to value every cubic centimeter of the minds they were in charge of leading, on a daily basis. Luck, of course, because things could have turned out differently. And gratitude, to those who taught me never to stop at the surface, to trust my ideas, to not always agree, to value peo-

ple, to make difficult decisions, to take risks, and not to be scared of changing my mind.

As we become older, we must combine listening with aptitude (I dislike the term approach since it is overused and abused) for a critical reading of what we see and hear. Positive, constructive criticism seeks to comprehend the why and profound significance of things, going beyond appearances: why specific activities were developed; what was their initial goal. And whether this aim has been achieved or not, based on one's current understanding. In the following pages, we'll discuss what it means to listen; we'll also discuss consumers, the starting point for everything and the ultimate focus of it all. However, before you listen to them, you must be able to listen, read, and interpret reality. And this must be learned, unfortunately, in time, by reading, studying, and listening.

Marco Andrea Tolentino

LISTEN provides a comprehensive overview of the major branding issues and decisions that businesses must make in this critical area. It offers a number of key theoretical principles, each of which is accompanied by best practices that can help the reader better understand and comprehend the many issues presented. As a member of boards of directors and management committees, my willingness to support theoretical notions with a series of concrete, popular examples stems first from my own experience, in which the academic component is backed by the managerial one. Furthermore, it has been discovered that learning management approaches is more effective when the reader is stimulated to solve an issue. Finally, I want to thank the students of the Masters in Marketing and degree courses of the Management Department of the University of Turin for their constant involvement and enthusiasm in the preparation of projects and the study of business cases, which has always inspired me with new and innovative ideas.

Anna Claudia Pellicelli

## INTRODUCTION

It was a hot summer in July, a few years ago. The last 10 days had been pretty intense, marked by the usual events organized for the sponsors: training, interviews, autograph sessions, the presentation of the team in that small square surrounded by the Dolomites. We were going to leave in just a few hours. A handful of minutes in fact, just over 90, those needed to play one of the 3-4 friendly matches scheduled during the retreat, with the modest *Mezzocorona*, who back then played in the C-series league. Little more than a simple work-out, a functional match for the summer preparation, undemanding, to get your legs moving. And to greet the people who, even on that day, were crowding the stands of that small mountain stadium. Our minds were already on their way home, thinking of the many hours of driving ahead of us, tired but happy, proud of the work achieved once more.

The stadium, we were saying, was small, too small to contain the multitude of fans who flocked from all over Italy, more numerous every year. They were all there: vacationers, simple sports enthusiasts, onlookers, and then the fans, from those in love with their favourite team to the extreme fanatics, the most avid, the most involved. Almost all of *Curva Sud* had invaded that small town, famous throughout the year only for the splendid natural landscape in which it is immersed. The *Curva Sud* is an institution of Italian football, a being that lives off the energy of its members, capable of influencing the results of matches, and often also those of the summer market. The *Sud* was at the stadium, in its usual position, squeezed in that uncovered section, located to the right of the Main Grandstand. A mini *Curva Sud* to hold hundreds of fierce fans of the most followed Italian team. Too small, and with an insufficient inclination, indeed, to guarantee optimal visibility for everyone. A problem, for many, that none of us had considered.

Not even me. I was close to the football field, waiting for the ball to start rolling, for the nets (or rather the net, that of the unfortunate Mezzocorona, which certainly had a better chance of being used that day) to begin filling up. I was wearing the official uniform, in its more "casual" version, a must during summer activities: sneakers, shorts and a polo shirt with the club emblem at heart level, and over which the two logos, that of the technical sponsor and that of the team shirt, competed for space, by means of millimeters, in perfect dimensional harmony, as the contract demanded. The routine of the event did not allow me to see a guy, younger than me, portly, approaching me with an incessant step, clearly troubled by something. "We can't see anything from down there!" Those were his first words. "Do something about it!". Appealing to my usual savoir-faire, I candidly answered that I understood his issue, but there was nothing I could do about it, since it was also a stadium in which we were hosted; plus, it wasn't a Champions League final after all. "If you don't do something about it, we'll move to the East Stand! We'll send those sitting there away". The idea of an invasion in the stands occupied by families did worry me a little bit, I admit it, but my task was, as far as possible, to talk some sense into the guy, playing down the situation. An attempt that was not producing the desired effects: it was actually backfiring.

The conversation became heated, the space between the two of us grew smaller by the second, until we were finally face-to-face, the guy's hands gently invited my chest to take a step back. My chest. The symbol of the club, the sponsors. Then I heard a voice from afar. Someone called his name, then yelled "Leave him alone, get away from him, cut it out!". I didn't understand whose voice it was until, as I was busy balancing the thrusts that enriched my pleasant conversation, I saw the figure running towards me, still far away. It was "M.", one of the most powerful, influential, followed, feared leaders of one of the most rooted fringes of organized fans, absolute masters of the Curva Sud in the stadium of the most followed team in Italy. He approached us, out of breath, and separated us, forcefully. For a moment I thought that he was yelling at me as well, that I was the one who had to walk away. I was wrong. He forcefully took the guy by the arm, pulling him away from me. And with equal force he scolded him, without half measures "How dare you! See what you did? How dare you!? The emblem! You have disrespected the emblem! Apologize! Immediately!". The emblem. The chest, the sponsors. The young man was visibly disturbed, aware of the foolish act he had committed, in front of his boss who was eyeing him with a frowning gaze. He hadn't disrespected me, with an absurd request, just a few minutes from the kick-off of a summer warm-up match. He had disrespected my chest, what I had placed at heart level, the club emblem. His club, his *raison d'être*, one of the most important things for him. The guy apologized, embarrassed. More than once, touching my chest, that same chest he had vehemently thrown himself at only a few moments before. He tried to touch the emblem I had sewn on the polo shirt, as if he wanted to caress it, as if he wanted to make sure it was okay, that it hadn't been damaged earlier, under the blows of his hands. The emblem on the chest.

The extreme fanatics remained in the small section that corresponded to their *Curva Sud*. They saw the game from there, certainly not an optimal spot, they showcased their banners, they sang and cheered for the goals scored by their heroes. And they went home after the match. Like the rest of us. The emblem on my chest had protected me from an argument that was clearly going to escalate quickly. Like Superman's "S". Like Batman's bat. It had protected me like a magical shield. The emblem. The logo. The brand.

You will forgive me for this long introduction, which, however, has an elementary explanation. In this volume we will talk about brands, their meanings, values, distinctive traits. How they come to be, develop, age and die, or how – in some cases – they become eternal. How a brand is normally linked to a product or service, and how it should be conceived and managed. A brand can be placed on something you own or use and, why not, be rooted for on Sundays at the stadium.

I will not go into a detailed analysis of what are the right ways to keep the passion of fans alive around a sports brand, we would need an entire volume for that; but I started from that because I think that this sector, so apparently specific, unique, far from reality, represents instead one of the most extraordinary syntheses of the concept surrounding a brand: it's about passion, made up of irrational components, it must be stronger than the defeats and the price of the season ticket of the Stadium, it makes you feel love, anger, joy and pain, it requires careful communication, constant listening on the part of clubs, because it is capable of influencing our mood, it affects our relationships, it makes us talk to strangers at the bar, who become our friends while we sip our beer.

Sports clubs, football teams, especially if they are popular, are true icons: a shared phenomenon, in some way considered to be everyone's

property, or at least of all those who support them. This type of brand requires careful, sophisticated management, the obligation to build a deep relationship with its consumers, the fans. A sports brand perfectly combines two essential needs: that can be applied to any sector: respect for tradition and the past, and continuous updating, year after year, not only through products, merchandising or new ways of communication, but athletes – who often become their own brands, much more powerful than the one they play for – who represent the indispensable component through which to give life to one of the most followed forms of entertainment worldwide. Sports clubs also have a further complexity to manage: the absolute unpredictability of the game result, which can affect strategies and programs, for better or for worse. All this makes the management of a sports brand, especially if it's famous, and with a glorious past, successful and condemned to win, followed by many people, one of the most stimulating exercises for those in the communication sector.

The same happens in the "real" world, made up of brands that don't have to play a match on a Sunday. The concept is simple: if you have a brand and believe you can afford to not listen to your "supporters", who are the consumers, your fans, you are condemning it to a slow but inexorable death. Others after you may come to the rescue, capable of rebuilding it, of giving it new life, but there is no going back: the fracture cannot be undone, and the treatments may be long and expensive.

# 1 WHAT

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### 1.1. The brand

In the following pages, I'll present my point of view, which is the result of many years of observing, listening, and critically scrutinizing what I've seen others do, as well as what I've done personally. This chapter has a number of examples linked to the many concepts we will discuss: stories of successful brands, triumphs and defeats, icons of the past and present, of things that have been done effectively and others that could be improved. Stories that I've gathered from my experiences, that have piqued my interest or sparked my curiosity. I'll try not to annoy you; instead, I'll take you by the hand, without tugging, on a journey through a somewhat magical world that touches all of us, even those who claim to be indifferent to labels, be it a pair of jeans or an insurance policy.

This book will help you understand what are the traits of today's consumers, what a brand is, how it is born, how it grows, what a manager should do or not do; why it is loved and why it can suddenly be hated; and what you risk during the course of its life that tends to immortality, if you do not pay close attention: growing old, getting sick, dying. Of course, a deceased brand could be revived, but not by itself. It could also never expire

and become immortal, remaining true to itself across time, capable of perpetual renewal, and remaining completely contemporary. This is the ideal scenario out of a thousand possible scenarios, but it is also incredibly complex, subjected to many factors, to countless dynamics, and thus fragile: the immortal brand, on the other hand, relates to mortal consumers who evolve, stay up-to-date, who are prepared, who communicate, even with one another, and who, in the end, always continue to desire something of that brand, seek its deepest essence. The secret to avoiding a crisis in a two-person relationship, is precisely listening, as we will see. That's the most typical advice given to any couple. You must pay close attention to what's going on around you. Any brand, even the most apparently strong one, that lacks this predisposition, this willingness to question itself, risks dying. At best it will be mourned; at worst, it will be forgotten and replaced.

This chapter will focus on the brand's foundational aspects, following the logic of the consumers' perspective and examining every aspect in relation to the necessity, sometimes partial, sometimes absolute, to excite, tempt, captivate, not disappoint, inspire, and pamper them. Because any brand, no matter how well-established, can only grow if this vital relationship, this passionate but delicate love story, is preserved, if separation and discord are avoided.

#### 1.1.1. Definition

Let's talk about the brand now, that's why you're here after all. But, where do we begin? From its definition, of course. All literature about brands begins with the classic definition, coined by the American Marketing Association, one of the world's most influential communities of marketers, founded by Neil Borden in 1953. Its original purpose was to elevate the role of marketing within business organizations, to assist corporations in stimulating business via the application of logic based on reality analysis, on comparisons between the greatest examples of the past and the best solutions for the future. The organization brings together professionals and academics from around the world with the goal of discussing ideas that may later be applied to global business.

According to the AMA, the brand is "a name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers". A note about the etymology of the term "brand": it comes from Old

Norse, an ancient Germanic language in which the word "brandr" means "to burn", and was used to refer to the brand with which cattle were "branded" in order to track down their owners' identities. Fascinating. In turn, the brand must be distinguished in content from the "label", an obsolete term that refers to a symbol, a graphic sign, a name, or a slogan. The brand is much more than that; it is an abstract and intangible notion that encompasses every aspect of a company or a product that people associate to it.

AMA's definition, however, emphasizes only one aspect of the concept that we hold dear, namely its symbolic value as a distinguishing feature of the product or service offered, without taking into account the relational implications that it contains and that are directed at its consumers. When we consider this important aspect, we can see how the brand expresses this specific relationship, in which it plays a crucial role, capable of eliciting an attachment, a following, and thus a value that is impossible to manifest in a simple functional relationship between the user and the object.

For consumers, having a reference brand is a great help, invaluable, capable of simplifying and speeding up their decision-making process, while also providing assurance that the product's qualities will meet their expectations. I recall – and this makes me feel old – an "ancient" Italian television commercial from the 1970s in which an actor, who later became famous for this interpretation, Paolo Ferrari, approached informed housewives who were adamant in their decision, refusing any two cans of detergent just to keep their beloved Dash, because "Dash makes everything so white, it can't get any whiter". The housewife approached by Ferrari is our typical consumer of today, without any difference. She believes in what she buys because she has built a trusting relationship with the company, knowing that her expectations will be met. This resistance to the temptation of getting two things for the price of one will lead to a boost in self-esteem and confidence, as well as a higher perceived value for the product than possible alternatives, even in the eyes of others.

There are infinite tangible and intangible advantages that a business can benefit from if it succeeds in establishing its brand on the market, moving away from being known solely for the practical aspects of its products. It begins with the stability of its presence on the reference market, as evidenced by attachment, followed by loyalty in the most advanced situations, of the customer relationship, which defends it from competition's tightening grip. Having loyal customers also makes it possible to make medium-

to-long-term profit estimates, which would otherwise be impossible. Having a constant base of regular customers, as well as new ones who may be reached through an efficient business strategy, adds to the long-term expansion of your market share without the need for promotional interventions that would thin down the value of the product. If you've been able to establish good credibility for your product, your brand's perception will be positive, and you'll be able to charge a higher retail price than competitors, avoiding the unpleasant pricing war, which we see everywhere.

#### 1.1.2. The business card

It is vital to begin a process of approaching a brand's deepest features in order to build a relationship with it, whether known or unknown. And where do we begin? Don't hold it against me, but it's just like with good-looking people: the first thing you notice, no use in denying it, is the outward appearance. It's an instantaneous process, a spark that lights a fire (or at least a curiosity) for a product you've never seen or – let's focus on the aim of this book – for a symbol that makes you look twice, to grasp what the significance behind a shape, a word, characters, or colors is. If you recognize the symbol, just a glance is enough to make you feel calm and safe. If you don't recognize it and then turn to look at it again, they did an excellent job... We're talking about the brand's logo, their business card.

When you design a logo for a new product that has never existed before, for which there are no consumers but just potential customers, you must identify with individuals who will view it for the first time, who will be presumably impressed or drawn to it. This is what everyone participating in the company's image design wishes for.

Let us return to the concept of business management, which is being taken away from those who have it and placed in the hands of people who will be the company's future consumers, allowing it to establish itself, expand, and succeed. There will be little possibilities of success without this crucial step, without this shift in perspective, of a new viewpoint from which things are seen, especially today, when every sector is packed with brands, labels, messages, and concepts.

Creating something new or reimagining something that already exists, updating it – we said – without changing the features that have established

it, made it known, desirable, preferred, sought, and loved. It's not just a creative exercise. It's all about making something that communicates the features of the product it alludes to through visual stimuli. It must be instantly identifiable, without delay, consistent with the product it represents (not a straightforward process), easy to remember, and simple to manage for the company, which will use it in a variety of ways. Furthermore, it must be capable of not aging, or of doing so "with style", requiring only a few specific interventions to update it without upsetting it (and this is where the task becomes more complex).

The choice of the logo can be linked to the necessity of identifying one's own positioning in relation to competitors, especially if one enters mature sectors in which already established companies exist. Consider the British Jaguar, which was founded in 1922 as the Swallow Sidecar Company and was known for the next two decades by the initials SS. The company's name was changed to the current one in 1945, not only to increase the exposure of the automobiles built in the Coventry plant, but also to avoid any conceivable association with the terrible German Schutzstaffel. The logo of the newborn Jaguar could only be the elegant feline, made in two variants: three-dimensional (the leaping Jaguar), about to jump, designed as an ornament for the bonnets of British cars; circular (the roaring Jaguar), with only the image of the animal's roaring head, for all other uses on the car. The choice of the name and logo of the car manufacturer was clearly reflected in the desire to give the brand those same values that are traditionally attributed to this very special animal: grace, elegance, speed, power, projection towards the future. The colors carry symbolism as well: silver represents modernity and sophistication, black represents integrity and performance, and red represents a desire for driving.

The logo could also be selected because you want to instantly catch the attention of a specific type of consumer who will be your future target. The goal will be met if the purpose and the features of the products with which the logo will be associated are aligned. Consider the bite on Apple's logo, a company founded on the desire to create user-friendly, high-tech products that would make people's lives easier (hence the apple, which is simple and immediate, the fruit *par excellence*); similarly, the act of biting an apple taken from the fridge is simple, a sort of everyday gesture in which we all recognize ourselves. Some claim that the bitten fruit was chosen because the term *bite* encouraged an instant connection with the company that

dealt with "bytes", the unit of measurement used to quantify performance in the field of technology; therefore the distinctive logo. Who knows.

Finally, when it comes to logos, there is an important consideration to make. It would be appropriate for a company to choose only one logo because the logo must remain embedded in the mind of the consumer, whose permeability – especially when it comes to new products – is often compromised by the overwhelming number of messages and images to which they are subjected throughout the day. Let me explain: some companies have various product lines with diverse features, addressing a consumer who is typically drawn to the brand but seeking different solutions that are functional to their individual needs. As a result, many businesses seek to differentiate their logos based on these requirements, in the hopes of attracting the right customer and guiding him through the decision-making process. I'm reminded of New Holland, a Fiat-owned agricultural and earthmoving machinery brand best known for being affixed on Juventus' jersevs from 2007 to 2010, replacing the previous Tamoil, and which chose two partially different logos to distinguish these two worlds: "Agriculture" for the former and "Industrial" for the latter. There was also a "motherlogo" for the two, which included the name "Fiat Group" to emphasize the brand's affiliation with the Turin industrial conglomerate. Perhaps functional, but not particularly straightforward, especially in daily use by the same organization. But, at least in this case, there was just one logo in its most basic form. Then there are the more extreme and perhaps harmful examples where a corporation adopts entirely different logos. I'm reminded of adidas, the German sportswear giant, which has proposed three distinct logos for years, in order to differentiate its three product lines. The starting point was the less expensive one, which included both sports and lifestyle products, and was aimed at a market that prioritized value for money over exclusivity, sophisticated style, or technological content. The company adopted a linear logo consisting just of the word "adidas" for this line, called "Core". The brand instead used the so-called "Badge of Sport" for the sports line, which consists of technical products aimed at an audience interested in performance, style, and who is willing to pay more for the latest novelties, such as their favorite football player's shoe or an ultralight running shoe made with cutting-edge materials. The logo is always made up of the word "adidas", which serves as the foundation for the German brand's iconic three parallel stripes, which are here reduced to three blocks of various widths positioned at an angle. For its lifestyle products, the German manufacturer's pride, the result of an extraordinary archive accumulated in over 70 years of history, the brand instead chose the very popular clover, which until 1997 stood out on the entire range of products, without distinction. I'm not going to mention the other circular logo with the three "scratches", which was used for a few years to distinguish the cheapest product line, before being renamed "Core". Or the linear logo preceded by the three horizontal stripes, used for years to identify the group, the company as a whole. On the one hand, such a choice attempts to differentiate the various types of products offered, giving them a unique characterization even in the logo that is assigned to them, but on the other hand, it penalizes absolute brand identification, causing the buyers to make some non-immediate reasoning, confusing their ideas about the product they are about to buy, and risking to highlight an annoying difference between a first rank consumer, with a higher spending power, and a second class consumer, forced to buy an impoverished version of a flagship product, moreover identified by a "poor" logo. Other companies in the same industry, such as Puma and New Balance, do not differentiate between logos, utilizing only one regardless of product quality, leading to rapid recognition of all proposed lines and eliminating inequalities between satisfied customers, regardless of the money spent, based on the presence of the logo of the favourite brand on the item of clothing or sports footwear purchased.

Other times the logo alludes to the fundamental features of the product in question, its uniqueness, or the advantages that come with its use. Think of the bulls of Red Bull's energizing drink: the bull conveys strength, energy, dynamism, the same qualities that are amplified through the consumption of the Austrian drink, conceived by Dietrich Mateschitz in (not so long ago) 1984, now sold in over 170 countries, and with a turnover of over five billion euros.

Or consider Toyota, whose seemingly basic logo hides a plethora of meanings. Toyota is the world's second-largest automaker, producing an astonishing 10.7 million vehicles per year (as of 2019). Toyoda started as a corporation that specialized in the manufacture of weaving looms. In 1933, Kiichiro Toyoda, the founder's son, launched the department that would subsequently be responsible for the production of automobiles. The current logo was unveiled on the occasion of Toyota's fiftieth anniversary; it took five years (according to the automaker) to arrive at the final design, which should have sanctioned Toyota's definitive affirmation as the sector's Olympus on a worldwide scale. The Japanese manufacturer had set two important goals: recognizability and an instantly identifiable character