

By invitation

Brands should take a stand

Brands that have taken a political stance in their advertising have often done so to further narrow commercial interests. They could be missing a trick, says Prakash Sethi

In December, the Lancia division of Italian carmaker Fiat produced a commercial. The advert shows three Nobel peace prize winners arriving at the Paris anniversary event in Lancia Delta luxury cars. However, when the last car pulls up, it has an empty seat, which represents the imprisoned 1991 winner, Burma's Aung San Suu Kyi, who won free democratic elections in her country but has been under house arrest for 13 of the past 18 years.

The commercial was one of the most provocative examples of the genre of issue advertising. It focused public attention on the extent to which certain companies are willing to take aggressive public positions on controversial issues of social importance. Notable examples of this type of advert have been made by major coal miners in the US. The coal industry has argued that coal, despite its shortcoming as a dirty fuel, continues to be the cheapest and most abundant form of energy in the US and central to the country's fight for energy independence.

When successful, issue advocacy can provide tremendous dividends in terms of enhanced corporate reputation and increased public trust in corporate policy positions. However, when poorly handled or perceived negatively by the public, it could severely damage corporate reputation and increase public pressure for greater scrutiny and regulation of corporate conduct. For example, energy companies such as ExxonMobil, Chevron and Shell have undertaken extensive ad campaigns promoting their efforts in reducing carbon emissions, while BP has been publicising its commitment to producing green energy

from biofuels. Many believe these claims have back-fired.

Companies and industry groups have always engaged in some form of public service advertising. This has often aimed to explain the values of competitive markets and capitalism as the bedrock of democracy and freedom of choice. It has also highlighted companies' philanthropic or community service activities denoting good corporate citizenship.

Global challenge

Globalisation, however, has brought new challenges to business and especially to large multinational corporations. While globalisation may have contributed to greater economic growth, it has also exacerbated the problems of economic inequality, labour exploitation, human rights abuses, corruption and environmental damage. Most, if not all, of these problems are attributed to the power of large corporations in preventing necessary corrective action that would hurt their bottom line.

To be effective in its message and effort in gaining public trust, the sponsoring company must choose issues for advocacy that have high priority among major segments of society and are larger than the company's direct economic interests. Where a company is advocating a specific policy option – such as ethanol producers protecting their tax subsidies in the name of energy independence – they must clearly identify the extent of its self-interest and present the message as accurate and balanced statements of facts and opposing viewpoints. Where the company claims certain achievements, they must be measurable and independently verifiable.



But should Lancia get involved?

Issue advocacy can provide tremendous dividends in terms of enhanced corporate reputation and increased public trust

Companies have assiduously avoided taking a stand on issues that represent the core values of democracy and freedom of choice, and without which capitalism and free markets would cease to exist. Coca-Cola and McDonald's may have increased their market share in China, and companies such as Yahoo and Fox Communications have gained entry in the Chinese market, but it is hard to see how they have contributed to the flourishing of democracy and protection of human rights in China.

Lancia's commercial, despite its lofty message, was not universally applauded. It was suggested that the so-called human rights message was a thin veneer with which the Lancia cloaked its corporate message of selling a luxury car. Conversely, it was argued that the company's message was empty rhetoric because it did not offer any specific action to help Kyi or bring pressure on the military regime of Burma.

One wonders why many energy companies operating in global hot spots of human rights abuses such as Burma, Somalia, and the Democratic Republic of the Congo have not seen fit to raise their voices against these issues. Lancia deserves support for its actions in the hope that it would encourage other companies to advocate policies and principles that enhance the quality of human life and expand individual freedoms for human beings in all parts of the world. ■

Dr S Prakash Sethi is a professor of management at Baruch College, the City University of New York. He is also president of the International Center for Corporate Accountability in New York. He has written two books and numerous articles on advocacy advertising.

Social marketing

The power of suggestion

Brave brands should exceed consumer expectations by using their power to pursue social causes, says Giles Gibbons

Consumers listen when brands talk, and this trust gives corporations a ready-made tool for social leadership. Consumer trust in brands can become a valuable asset in campaigns for social change, and campaigning for social change can become an additional source of value for the corporations behind the brands.

Many of the social issues that governments and not-for-profit organisations wrestle with on a daily basis are hard to deal with using the conventional tools of passing laws and spending money. For example, in rich societies the greatest barrier to improving literacy is not a lack of books, but a lack of parents reading with their children from an early age. The social policy requirement is for a change of attitude and a change of behaviour.

It is the same in the developing world: governments and aid agencies can pump billions of dollars into disease-eradication programmes, but these will work only if attitudes and behaviour also change.

It is brands that are best placed to help change people's attitudes and behaviour. This is why brands' cultural power, as well as their economic power, is potentially such a huge component of their social value. Using their brands to bring about social change is one of the most effective ways in which corporations can quickly move beyond corporate responsibility to demonstrate real leadership.

This is emphatically not the same as brands linking up with charities or good causes for mutually beneficial promotional campaigns. This is about a



Behaviour making a difference

corporation using its brand's ability to change consumer behaviour as a way of changing social behaviour, thereby strengthening that brand's reputation. Dove's Campaign For Real Beauty did just that. In 2004 Unilever began using Dove's powerful position as a trusted, widely used brand to tackle the issue of self-esteem among women. The campaign arose from market research that showed that 90% of women were unhappy with the way they looked. Dove used powerful advertising campaigns to challenge narrow perceptions of beauty, and railed against the way the media and conventional advertising portrayed women.

And it went further than marketing. The company launched the Dove Self-Esteem Fund to provide educational materials for young women and tied the campaigns to product ranges such as Pro-Age and Firming, which used real women, with normal body shapes, in their advertising, in place of models.

The campaign, and its impact on the brand's reputation, was hugely successful. Sales of Dove products increased by about 600% in the first two months, with an overall sales increase across the entire brand of 20% in the year after the campaign began.

A marketing campaign that packs a strong social punch is a powerful tool. But a brand that can take a new or existing product or innovation and build a campaign around the social or environmental benefits of this product can go further still.

Fiat has done much to reduce its carbon footprint. It has cut the carbon emissions from its manufacturing process and developed the lowest average emission fleet in Europe. Its new eco:Drive initiative, launched in 2008, seeks to go further and change the way that people drive. This is not just about telling people to drive in a more fuel-efficient way: in-car eco:Drive technology gives personal feedback on Fiat drivers' driving style and helps them improve their efficiency and reduce CO₂ emissions. Eco:Drive is about Fiat using its position to help change the way people think about how they drive, rather than just what they drive.

Bridging the divide

As social campaigners, brands can have far-reaching impacts by helping to spread the positive benefits of globalisation. Brands are well placed to help tackle the challenge of reducing this division between the formal and informal sectors, since they are often the only institutions present on both sides of the divide. Coca-Cola, for example, is as much a part of life in the slums as in the skyscrapers.

Brands could use their grassroots presence to foster local institutions that start to break down the barriers between these divided worlds. They could use their media and cultural power to argue more firmly and more publicly for good governance and commercial infrastructure. Most of all, brands could take on a campaigning role: raising awareness, mobilising opinion and forcing the pace of change.

These dimensions of corporate social campaigning – harnessing cultural power and campaigning for social change – are often best demonstrated by the brands that have used a social or environmental platform to define and differentiate themselves in the marketplace. For example, the Co-operative Bank has raised awareness of ethical investment, and Café Direct has demonstrated through fair trade that an inclusive global business model is achievable.

With consumers increasingly interested in the social and environmental consequences of their purchasing decisions, the most successful brands of the future are likely to be those that embrace social leadership as a core component of their strategy. ■

This is an edited chapter from *The Social Value of Brands*, by Giles Gibbons, founder and CEO of Good Business, which is taken from the second edition of *The Economist's Brands and Branding*, published by Profile Books in March 2009.