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Aneta Bogdan

Branding on the Eastern Front

*The Quest of a Brand Consultant
in the New Europe*

*With a Foreword by **Wally Olins***

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Chapter 1. Setting up in the New Europe

1.1. Branding in a post-communist country

Romania is the second largest country in Central and Eastern Europe, after Poland, and the seventh largest in Europe. Since 2007, it is the easternmost member country of the European Union. But, only twenty-something years ago, Romania was breaking from more than four decades long of a relationship with communism.

I have lived a big part of my life in a “no brand” land, and my experience is surely familiar to all the countries around the world that underwent a communist regime or a dictatorship.

In the 1950s–1960s, Romania was wiping out the very last remnants of capitalist branding and marketing concepts. The settling of communism was well on its way, and one of the economic pillars of this type of “ideal society” was the concept of *planned and controlled economy*, opposed to that of the *free market*. Nearly any type of competition or differentiation was thoroughly annihilated. By this time, the grey uniforms were almost institutionalized and the identical grey block buildings were built, and generic names such as *Alimentară* (“Food Shop”) and *Confecții* (“Clothes Shop”) would replace the pre-communist brands. A few brands were saved, though, such as Guban, Gambrinus, and Astra, and this fact would deserve a study of its own. Any form of commercial philosophy based on unique and relevant promises (such as quality, price, promotion, talent, attitude, and professionalism) was officially abolished. The communist ideology obliterated ideas of differentiation, uniqueness, competition and value. And thus the “Golden Era” (as the communist propaganda used to say), that brought the decay of this country for almost fifty years, made victims amongst brands as well. The result? The commercial pseudo-brands of the communist era were few, weak, and insignificant, and most of all shadowed by the dictator’s “masterbrand” (Nicolae Ceaușescu), the Communist Party “brand” and the other ideological brands that

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sustained the social and cultural “marketing”, like the Maoist *Cântarea României* (Chanting of Romania). The few commercial brands born in communism that survived the fall of the regime, such as the Dacia cars (now part of the Renault Group), had related to the consumer only by scope of their monopolistic notoriety and visibility, and not out of preference or loyalty. Branding, without a doubt, can only exist and thrive within the conditions of a competitive free market.

1.1 Branding in
a post-communist
country

After the fall of the communist regime in 1989 came a long period of transition (let’s call it post-communist). During this time, branding continued to not do so well. From the many discussions I’ve had with the local entrepreneurs and managers in my twenty-five years on the Romanian market, one thing became more and more clear. That is, most perceive the idea of a brand quite confusingly, and few understand it beyond the tangible aspects of advertising, packaging, and logo. Very few relate to the brand as to a conviction upon which they can build a business; few know that marketing strategies are exposed to continuous change, whilst the brand can be a pillar upon which both the organization and the business can rely on in difficult times; few understand the sense of brand as key to the growth of their business or to the attraction of a valuable workforce.

The Romanian market is, at the moment, populated by both local, regional and global brands. What separates them? Not necessarily the financial and material resources backing them up (as many Romanian entrepreneurs may prefer to claim), but rather the knowledge behind them. If global brands have already experienced all the stages of the lifecycle of a brand, with most already having reinvented themselves a few times over and learnt from every change, the local ones are raw. They are at the very beginning. They are at the stage of questioning, “What is going on?” “Which direction should we head into, and how?” And, most times, they fail to truly believe in their “destiny”, let alone have the guts to dream big. Not to mention that, starting with 2008, they were struggling to overcome the first economic crisis in their life-cycle.

Global brands might sometimes fail in seducing us locally because they fail to accommodate the very idiosyncratic sociological and cultural expectations, for example, but they usually do not

miss a promise made. They are the certainties of our everyday life experiences with diverse product categories or services. Local brands are evidently closer to our anthropological emotions and cultural experiences, but they often fail in constantly delivering their value promises. This is the consequence of a misunderstanding of the purpose of a brand, despite the overwhelming discourse of local entrepreneurs who trace the “big problem” of local brands to the paucity of their financial resources.

Here are a few clichés that I came across during my many conversations with various Romanian entrepreneurs:

“We have no local brands!” Also, *“We have no quality local brands!”* or *“We don’t have a nation brand, and this is what’s pulling us down!”* In fact, we should know that any brand intrinsically contains a quality promised to the consumers, and the nation brand, unfortunately, does exist even when it is overwhelmingly negative (which makes it tenfold more difficult to project a positive one).

“We have the knowledge, but we don’t have their money!” In fact, there are a few strong local brands that were based not on major financial resources, but rather on vision and will, and they have managed to deliver and attract more than the global brands. In what concerns knowledge: no, we don’t have it, and perhaps this is the moment to start learning more and boasting less.

“Romanians are more open to what is international rather than what is local”. In fact, Romanians are just like any other consumer. They become more and more competent in choosing, and more and more pretentious. And I might add, more cynical, because they know they have the right to do so; in the ‘90s, yes, I would have agreed with this cliché statement, but not now. There are many categories where Romanians would prefer Romanian products over foreign products, and not necessarily out of economic nationalism.

This appetite for international brands is somehow a level of aspirational consumption behavior which I have noticed not only in Eastern Europe, but also in Asia and the Middle East.

“Our products are exceptional quality-wise, and they’re the cheapest. We just don’t know how to dress them up nicely”. In fact, local products are not that exceptional, nor are they that cheap (at least, as long as they incorporate the cost of amateurism at the level of management and production), and it is enough to choose the Portuguese,

South African, Spanish, Italian or French wines off the shelves of Carrefour to understand the issues that we are truly facing with Romanian wines, for example.

1.2. Beginnings. About Brandient, about pioneering and leadership in Eastern Europe

Brandient was founded in 2002, in Romania, by three professionals with different, yet complementary backgrounds: in marketing, finance, and design. We had three things in common: the experience and personal prestige in the industries that we originated from, the interest for branding, and the boldness to pioneer this on the Eastern European virgin market.

I met Cristian “Kit” Paul fifteen years ago. He is a unique professional, who through his intelligence, his force, and outstanding portfolio stood out amongst emergent talents of the newly born Romanian advertising industry. We met when he was a creative director at D’Arcy, which was probably the best Romanian advertising agency in the ’90s. Kit was the creative supervisor for the Connex project—the leading local telco brand that was subsequently acquired by Vodafone. At this time, I was the director of communication at Connex. After all these branding years spent next to Kit, and even trying to contain my subjectivity, I have to say that Kit is probably one of the best and the smartest graphic designers from the New Europe. I have learnt, and I can live with

it, that any discussion on design is definitely more charming than the strategy it builds upon: for fifteen years, I have seen my clients politely listening to my presentations on positioning, identity, brand idea, brand alignment, etc., but what they're all really waiting for is the magic moment when Kit will reveal "the Design". A subtle revenge for such moments is the rather minimal chapter on design in this book, which will hopefully oblige Kit to write his own book 😊.

The third partner is Mihai Bogdan, alumnus Henley Business School, of whom you'll have heard little about, because he likes to indulge in the role of the *eminence grise*. With a career of ten years in the financial management of top multinational corporations (JTI, Benckiser, Tetra Pak), Mihai completed the ideal start-up "dream team". His enthusiastic lectures on Interbrand's and Brand Finance's models of evaluation of brands' financial value enforced our conviction that a new approach can be instilled in a post-communist society—otherwise taught to ignore true value, let alone the intangible value. Therefore, my vision on the market and the consumer, together with Kit's vision on design and its functionality in business clicked with Mihai's financial vision oriented towards the brand's worth. I should also add that Mihai is, without a doubt, the most important person in my evolution as an entrepreneur and manager.

Each one of us embarked on this adventure with his/her own idols and demons, own ideals to pursue, and own fetishes. With time, we borrowed them from one another, we pondered on them, we discovered others, we renounced some. Nowadays, all of them brought together are Wally Olins, David Aaker, Lippincott & Margulies, Interbrand, Michael Porter, Prahalad, Peter Drucker, Kenichi Ohmae, Theodore Levitt, Saul Bass, Paul Rand, Dieter Rams, Jonathan Ive, the designers from Pentagram, and a few others. We dedicate this book to them as well, for, without their work and passion, we would have never had our own unique, authentic, and valuable design consultancy experience.

We would have also never had this experience without the help of our clients: both the "prize-winners" and the "drop-outs". We were lucky to have experienced Romanian entrepreneurship from its very beginnings, and, in time, to get the chance to enlarge our

experience with a few Asian and Middle Eastern entrepreneurial projects. We've met very special individuals. And no, not the ones that pollute the media every day, nor the "landlords", politicians who call themselves businessmen, but those who, with a lot of hard work, natural intuition, passion and effort, from the ground up, have established solid companies that have extended in Europe and are head-to-head competitors with some of the most influential global businesses. We are also thankful to the big multinational corporations we've worked for, like Vodafone, Orange, Renault, Volvo Trucks, Societe Generale, GlaxoSmithKline, Tetra Pak, RBS, ING, Heineken, to name just a few. Their global conduct is sometimes prone to demonization, but we should not forget their role in teaching us the dos and don'ts of capitalism as we were freshly emerging from a history gap. We continued to answer their call when they needed strategy solutions for the adaptations of global brands to local Eastern European contexts, or design solutions for the adjustment of these brands to the contemporary digital times.

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*About Brandient,
about pioneering
and leadership
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*Brandient
founding partners:
Mihai Bogdan
Aneta Bogdan
Cristian "KIT" Paul*

When we started out in 2002, I already knew quite a lot about branding as a result of my lengthy corporate career in managing marketing and communication strategies. The most important experience of this kind were the six years I had spent running the Connex telco brand (subsequently part of the Vodafone group), where I really had the unique chance to contribute to building, from the ground up, one of the most powerful and beloved local brands in Romania. In 1997–2000, the brand ranked constantly as number one in top of mind, brand preference, the most admired, the most loved, and the best perceived quality on the local market, outsmarting legendary brands such as Coca-Cola. During the six years spent at Connex, I learned as much as others might in twenty, and this was due to the ground-breaking telco industry, as well as the huge resources that this company benefitted from. The most important lessons taken were about the complex relationship of a brand with its shareholders, with the corporate strategies, with the employees and consumers. Long story short, about the ways in which a brand becomes the powering engine of the business and the cornerstone of the organisation, and ultimately becomes a competitive advantage. These are invaluable lessons for which I must thank those who have hired, promoted, and supported me in this position, especially Al Tolstoy, Karla Stephens, and Brenda Andrachuk, my direct managers during those times.

I am most fundamentally a marketing person and I strive to think structurally and pragmatically, but, at the same time, I must admit that I'm strongly empathetic and intuitive. Almost to the point of speculation, sometimes. For about a year, I had discussed the approach of this new "design and consultancy" business in Romania with Kit and Mihai.

We were opening a niche, after all: there was no such company on the Romanian market, that is, a company to dedicate itself exclusively and exhaustively to branding. The few small web and graphic design companies that existed at the time were limited to "identity" design jobs (the word "brand" was used sparingly, if at all). And these small companies had no expertise in consultancy, marketing, or management. They lived more out of collateral jobs—production, web design, media, etc. We saw the opportunity and were the first ones to break into the industry with this

specialization, which is not to say we didn't acknowledge the subsequent risks—especially those of not offering other services outside consultancy and brand design. This obviously limited the company's potential revenues. If it hadn't been successful, we would've had to close down the company quite swiftly, as we were not willing to offer services in the established areas of advertising, media, or web design.

We decided to not approach branding from a humanistic approach (which could have been a more appealing discourse, I must admit), but rather from the perspective of the end-result, of the value that the brand is bringing to a business. We therefore employed a fundamentally economic discourse, based on value, the measurable value that a brand can generate for the business. And we used the slogan "Signs of Value" to emphasize that. We promised and showed our clients how building a brand would help their companies grow in a controlled way, attract more consumers and clients, and transform them into loyal consumers and clients, attract better employees from the labour market and stronger business partners.

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We chose the name Brandient to instantly communicate what we do. For those who know about strategy, though, we created this name on behalf of leadership rationales as well, essentially looking for the ownership of the category, at an Eastern European level. And last but not least, it's a unique name in the world. We stopped at the graphic symbol and rhetoric of the oak tree acorn, in order to illustrate the genesis of a brand that starts with a seed and, with a lot of time and perseverance (and some luck) can grow to be an imposing oak tree which would eventually produce its own acorns. I won't hide the fact that a sort of Romanian sentiment played a part as well. The oak tree, in particular, represents a strong symbol for Romanians—durability, perseverance, power, and eternity. We

redesigned the identity (whilst keeping the acorn) in 2013, for a more relevant symbolization of our new positioning in brand innovation and international expansion.

Although our journey so far was not financially over-rewarding, our learning has been definitely rich. We were exposed to a unique economic and social context, making the number and the scale of our branding projects the envy of any Western “big house” brand consultant. In the Romanian folktales, there is the expression: “To grow in one year like others do in ten”. This was how we felt as well. In the fifteen years of activity, we had the chance to work on over 200 brands, out of which a few dozens very complex rebranding projects, probably the biggest and most important ever to have been carried out in Eastern Europe.

Here are some benchmarks on this road. Please feel free to browse through or to skip this part, but, for me, it was important to highlight some of the building blocks to our journey. These became stepping stones, not only for our further development, but also for our followers.

2003 In 2003, we held the first Eastern European conference dedicated to branding. It was held in Bucharest, and we invited Wally Olins. For the first time in Bucharest, he publicly spoke about the national brand and the brand of Romania. Further on, in 2004, we launched the first training sessions dedicated to branding on the local market: the Brandient Seminars. In 2003, Kit launched the first local blog dedicated to design and photography (in English). It can still to be enjoyed at www.kitblog.com.

2004 In 2004, Brandient launched its own model of financial evaluation of the brand, that was applied for evaluating the brand of the Capital magazine, and, in 2006, the Brandient team, led by Mihai Bogdan, estimated the financial value of the top 50 local brands. This was a unique, complex, and sophisticated exercise of brand valuation which was sponsored and published by BusinessWeek (Romania).

2005 In 2005, I was the first Eastern European invited to join the



Brandient logo evolution

international jury of Rebrand 100, the most important international competition dedicated to the complex processes of rebranding. Every year, it takes place in Providence, USA, thanks to the vision, passion and effort of the unique Anaezi Modu.

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2006 After our successful collaboration in the rebranding of the leading regional retailer Domo (Brandient created the identity, and Enterprise IG the retail design), we associated in 2006 with Enterprise IG (today The Brand Union), one of the biggest global branding companies. After two years of mutual expectancy and obvious lack of chemistry, we separated amicably. As a side remark, Wally Olins had told us from the very beginning this would happen, but, as in any mentor-disciple relationship, we thought we knew better 😊.

2008 In the year 2008, we made the most important local re-branding exercise, for CEC Bank, of which renowned brand analyst Tony Spaeth said, *"The new identity design brings the bank into the future, whilst, at the same time, keeping it close to its 1864 origins. Thus, technically overnight, CEC Bank became a credible competitor on a global scale (at least, in terms of its image) whilst keeping the advantage of own territory. Well done!"* I'd just like to mention that CEC Bank rose from the ninth place to the fourth in the top of commercial banks activating in Romania, only two years after its rebranding.

2012 In 2012 we started our international expansion, through the opening of the office in Singapore, which was an operation that we had been working on for a long time, and one which will probably still take further years of work.

Over these years, we won over seventy international awards and nominations and spoke in several conferences dedicated to branding. In 2015, Brandient has been inducted in the prestigious REBRAND Hall of Fame, alongside the biggest and oldest global players. We were published in over fifty specialty books in the United States, Europe, and Asia. We