NO SPACE

CHAPTER ONE

NEW BRANDED WORLD

As a private person, I have a passion for landscape, and I have never seen one improved by a billboard. Where every prospect pleases, man is at his vilest when he erects a billboard. When I retire from Madison Avenue, I am going to start a secret society of masked vigilantes who will travel around the world on silent motor bicycles, chopping down posters at the dark of the moon. How many juries will convict us when we are caught in these acts of beneficent citizenship?
— David Ogilvy, founder of the Ogilvy & Mather advertising agency, in Confessions of an Advertising Man, 1963

The astronomical growth in the wealth and cultural influence of multinational corporations over the last fifteen years can arguably be traced back to a single, seemingly innocuous idea developed by management theorists in the mid-1980s: that successful corporations must primarily produce brands, as opposed to products.

Until that time, although it was understood in the corporate world that bolstering one's brand name was important, the primary concern of every solid manufacturer was the production of goods. This idea was the very gospel of the machine age. An editorial that appeared in Fortune magazine in 1938, for instance, argued that the reason the American economy had yet to recover from the Depression was that America had lost sight of the importance of making things:

This is the proposition that the basic and irreversible function of an industrial economy is *the making of things*; that the more things it makes the bigger will be the income, whether dollar or real; and hence that the key to those lost recuperative powers lies... in the factory where the lathes and the drills and the fires and the hammers are. It is in the factory and on the land and under the land that purchasing power *originates* [italics theirs].

And for the longest time, the making of things remained, at least in principle, the heart of all industrialized economies. But by the eighties, pushed along by that decade's recession, some of the most powerful manufacturers in the world had begun to falter. A consensus emerged that corporations were bloated, oversized; they owned too much, employed too many people, and were wired down with too many things. The very process of producing-running one's own factories, being responsible for tens of thousands of full-time, permanent employees —began to look less like the route to success and more like a clunky liability.

At around this same time a new kind of corporation began to rival the traditional all-American manufacturers for market share; these were the Mikes and Microsoft's, and later, the Tommy Hilfiger's and Intel's. These pioneers made the bold claim that producing goods was only an incidental part of their operations, and that thanks to recent victories in trade liberalization and labour-law reform; they were able to have their products made for them by contractors, many of them overseas. What these companies produced primarily were not things, they said, but images of their brands. Their real work lay not in manufacturing but in marketing. This formula, needless to say, has proved enormously profitable, and its success has companies competing in a race toward weightlessness: whoever owns the least has the fewest employees on the payroll and produces the most powerful images, as opposed to products, wins the race.

And so the wave of mergers in the corporate world over the last few years is a deceptive phenomenon: it only looks as if the giants, by joining forces, are getting bigger and bigger. The true key to understanding these shifts is to realize that in several crucial ways - not their profits, of course - these merged companies are actually shrinking. Their apparent bigness is simply the most effective route toward their real goal: divestment of the world of things.

Since many of today's best-known manufacturers no longer produce products and advertise them, but rather buy products and "brand" them, these companies are forever on the prowl for creative new ways to build and strengthen their brand images. Manufacturing products may require drills, furnaces, hammers and the like, but creating a brand calls for a completely different set of tools and materials. It requires an endless

parade of brand extensions, continuously renewed imagery for marketing and, most of all, fresh new spaces to disseminate the brand's idea of itself. In this section of the book, I'll look at how, in ways both insidious and overt, this corporate obsession with brand identity is waging a war on public and individual space: on public institutions such as schools, on youthful identities, on the concept of nationality and on the possibilities for unmarketed space.

The Beginning of the Brand

It's helpful to go back briefly and look at where the idea of branding first began. Though the words are often used interchangeably, branding and advertising is not the same process. Advertising any given product is only one part of branding's grand plan, as are sponsorship and logo licensing. Think of the brand as the core meaning of the modern corporation, and of the advertisement as one vehicle used to convey that meaning to the world.

The first mass-marketing campaigns, starting in the second half of the nineteenth century, had more to do with advertising than with branding as we understand it today. Faced with a range of recently invented products — the radio, phonograph, car, light bulb and so on - advertisers had more pressing tasks than creating a brand identity for any given corporation; first, they had to change the way people lived their lives. Ads had to inform consumers about the existence of some new invention, then convince them that their lives would be better if they used, for example, cars instead of wagons, telephones instead of mail and electric light instead of oil lamps. Many of these new products bore brand names —some of which are still around today —but these were almost incidental. These products were themselves news; that was almost advertisement enough.

The first brand-based products appeared at around the same time as the invention-based ads, largely because of another relatively recent innovation:
The factory. When goods began to be produced in factories, not only were entirely new products being introduced but old products — even basic staples -were appearing in

strikingly new forms. What made early branding efforts different from more straightforward salesmanship was that the market was now being flooded with uniform mass-produced products that were virtually indistinguishable from one another. Competitive branding became a necessity of the machine age — within a context of manufactured sameness; image-based difference had to be manufactured along with the product.

So the role of advertising changed from delivering product news bulletins to building an image around a particular brand-name version of a product. The first task of branding was to bestow proper names on generic goods such as sugar, flour, soap and cereal, which had previously been scooped out of barrels by local shopkeepers. In the 1880s, corporate logos were introduced to mass-produced products like Campbell's Soup, HJ. Heinz pickles and Quaker Oats cereal. As design historians and theorists Ellen Lupton and J. Abbott Miller note, logos were tailored to evoke familiarity and folksiness (see Aunt Jemima, page 2), in an effort to counteract the new and unsettling anonymity of packaged goods. "Familiar personalities such as Dr. Brown, Uncle Ben, Aunt Jemima, and Old Grand-Dad came to replace the shopkeeper, who was traditionally responsible for measuring bulk foods for customers and acting as an advocate for products... a nationwide vocabulary of brand names replaced the small local shopkeeper as the interface between consumer and product." After the product names and characters had been established, advertising gave them a venue to speak directly to would-be consumers. The corporate "personality," uniquely named, packaged and advertised, had arrived.

For the most part, the ad campaigns at the end of the nineteenth century and the start of the twentieth used a set of rigid, pseudoscientific formulas: rivals were never mentioned, ad copy used declarative statements only and headlines had to be large, with lots of white space - according to one turn-of-the-century adman, "an advertisement should be big enough to make an impression but not any bigger than the thing advertised."

But there were those in the industry who understood that advertising wasn't just scientific; it was also spiritual. Brands could conjure a feeling —
think of Aunt Jemima's comforting presence —but not only that, entire corporations could themselves embody a meaning of their own. In the early twenties, legendary adman Bruce Barton turned General Motors into a metaphor for the American family, "something

personal, warm and human," while GE was not so much the name of the faceless General Electric Company as, in Barton's words, "the initials of a friend." In 1923 Barton said that the role of advertising was to help corporations find their soul. The son of a preacher, he drew on his religious upbringing for uplifting messages: "I like to think of advertising as something big, something splendid, something which goes deep down into an institution and gets hold of the soul of it.... Institutions have souls, just as men and nations have souls," he told GM president Pierre du Pont. General Motors ads began to tell stories about the people who drove its cars — the preacher, the pharmacist or the country doctor who, thanks to his trusty GM, arrived "at the bedside of a dying child" just in time "to bring it back to life."

By the end of the 1940s, there was a burgeoning awareness that a brand wasn't just a mascot or a catchphrase or a picture printed on the label of a company's product; the company as a whole could have a brand identity or a "corporate consciousness," as this ephemeral quality was termed at the time. As this idea evolved, the adman ceased to see himself as a pitchman and instead saw himself as "the philosopher-king of commercial culture," in the words of ad critic Randall Rothberg. The search for the true meaning of brands - or the "brand essence," as it is often called - gradually took the agencies away from individual products and their attributes and toward a psychological/anthropological examination of what brands mean to the culture and to people's lives. This was seen to be of crucial importance, since corporations may manufacture products, but what consumers buy are brands.

It took several decades for the manufacturing world to adjust to this shift. It clung to the idea that its core business was still production and that branding was an important add-on. Then came the brand equity mania of the eighties, the defining moment of which arrived in 1988 when Philip Morris purchased Kraft for $12.6 billion-six times what the company was worth on paper. The price difference, apparently, was the cost of the word "Kraft." Of course Wall Street was aware that decades of marketing and brand bolstering added value to a company over and above its assets and total annual sales. But with the Kraft purchase, a huge dollar value had been assigned to something that had previously been abstract and unquantifiable -a brand name. This was spectacular news for the ad world, which was now able to make the claim that advertising spending was more than just a

sales strategy: it was an investment in cold hard equity. The more you spend, the more your company is worth. Not surprisingly, this led to a considerable increase in spending on advertising. More important, it sparked a renewed interest in puffing up brand identities, a project that involved far more than a few billboards and TV spots. It was about pushing the envelope in sponsorship deals, dreaming up new areas in which to "extend" the brand, as well as perpetually probing the Zeitgeist to ensure that the "essence" selected for one's brand would resonate karmically with its target market. For reasons that will be explored in the rest of this chapter, this radical shift in corporate philosophy has sent manufacturers on a cultural feeding frenzy as they seize upon every corner of unmarketed landscape in search of the oxygen needed to inflate their brands. In the process, virtually nothing has been left un-branded. That's quite an impressive feat, considering that as recently as 1993 Wall Street had pronounced the brand dead, or as good as dead.

The Brand's Death (Rumours of Which Had Been Greatly Exaggerated)

The evolution of the brand had one scary episode when it seemed to face extinction. To understand this brush with death, we must first come to terms with advertising's own special law of gravity, which holds that if you aren't rocketing upward you will soon come crashing down.

The marketing world is always reaching a new zenith, breaking through last year's world record and planning to do it again next year with increasing numbers of ads and aggressive new formulae for reaching consumers. The advertising industry's astronomical rate of growth is neatly reflected in year-to-year figures measuring total ad spending in the U.S., which have gone up so steadily that by 1998 the figure was set to reach $196.5 billion, while global ad spending is estimated at $435 billion. According to the 1998 United Nations Human Development Report, the growth in global ad spending "now outpaces the growth of the world economy by one-third."

This pattern is a by-product of the firmly held belief that brands need continuous and constantly increasing advertising in order to stay in the same place. According to this law of diminishing returns, the more advertising there is out there (and there always is more, because of this law), the more aggressively brands must market to stand out. And of course, no one is more keenly aware of advertising's ubiquity than the advertisers themselves, who view commercial inundation as a clear and persuasive call for more-and more intrusive-advertising. With so much competition, the agencies argue, clients must spend more than ever to make sure their pitch screeches so loud it can be heard over all the others. David Lubars, a senior ad executive in the Omnicom Group, explains the industry's guiding principle with more candour than most. Consumers, he says, "are like roaches —you spray them and spray them and they get immune after a while."

So, if consumers are like roaches, then marketers must forever be dreaming up new concoctions for industrial-strength Raid. And nineties marketers, being on a more advanced rung of the sponsorship spiral, have dutifully come up with clever and intrusive new selling techniques to do just that. Recent highlights include these innovations: Gordon's gin experimented with filling British movie theatres with the scent of juniper berries; Calvin Klein stuck "CK Be" perfume strips on the backs of Ticketmaster concert envelopes; and in some Scandinavian countries you can get "free" long-distance calls with ads cutting into your telephone conversations. And there's plenty more, stretching across ever more expansive surfaces and cramming into the smallest of crevices: sticker ads on pieces of fruit promoting ABC sitcoms, Levi's ads in public washrooms, corporate logos on boxes of Girl Guide cookies, ads for pop albums on takeout food containers, and ads for Batman movies projected on sidewalks or into the night sky. There are already ads on benches in national parks as well as on library cards in public libraries, and in December 1998 NASA announced plans to solicit ads on its space stations. Pepsi's ongoing threat to project its logo onto the moon's surface hasn't yet materialized, but Mattel did paint an entire street in Salford, England, "a shriekingly bright bubblegum hue" of pink-houses, porches, trees, road, sidewalk, dogs and cars were all accessories in the televised celebrations of Barbie Pink Month. Barbie is but one small part of the ballooning $30 billion "experiential communication" industry, the phrase now used to encompass the staging of such branded pieces of corporate performance art and other "happenings." That we live a sponsored life is now a truism and it's a pretty safe bet that as spending on

advertising continues to rise, we roaches will be treated to even more of these ingenious gimmicks, making it ever more difficult and more seemingly pointless to muster even an ounce of outrage.

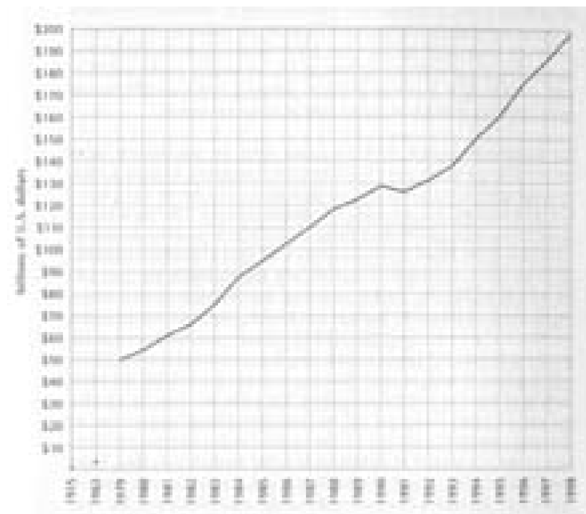


Table 1.1 – Total overall ad expenditures in the United States, 1915, 1963, 1979-98

But as mentioned earlier, there was a time when the new frontiers facing the advertising industry weren't looking quite so promising. On April 2, 1993, advertising itself was called

into question by the very brands the industry had been building, in some cases, for over two centuries. That day is known in marketing circles as "Marlboro Friday," and it refers to a sudden announcement from Philip Morris that it would slash the price of Marlboro cigarettes by 20 percent in an attempt to compete with bargain brands that were eating into its market. The pundits went nuts, announcing in frenzied unison that not only was Marlboro dead, all brand names were dead. The reasoning was that if a "prestige" brand like Marlboro, whose image had been carefully groomed, preened and enhanced with more than a billion advertising dollars, was desperate enough to compete with no-names, then clearly the whole concept of branding had lost its currency. The public had seen the advertising, and the public didn't care. The Marlboro Man, after all, was not any old campaign; launched in 1954, it was the longest-running ad campaign in history. It was a legend. If the Marlboro Man had crashed, well, then, brand equity had crashed as well. The implication that Americans were suddenly thinking for themselves en masse reverberated through Wall Street. The same day Philip Morris announced its price cut, stock prices nose-dived for all the household brands: Heinz, Quaker Oats, Coca-Cola, PepsiCo, Procter and Gamble and RJR Nabisco. Philip Morris's own stock took the worst beating. Bob Stanojev, national director of consumer products marketing for Ernst and Young, explained the logic behind Wall Street's panic: "If one or two powerhouse consumer products companies start to cut prices for good, there's going to be an avalanche. Welcome to the value generation."

Yes, it was one of those moments of overstated instant consensus, but it was not entirely without cause. Marlboro had always sold itself on the strength of its iconic image marketing, not on anything as prosaic as its price. As we now know, the Marlboro Man survived the price wars without sustaining too much damage. At the time, however, Wall Street saw Philip Morris's decision as symbolic of a sea change. The price cut was an admission that Marlboro's name was no longer sufficient to sustain the flagship position, which in a context where image is equity meant that Marlboro had blinked. And when Marlboro-one of the quintessential global brands -blinks, it raises questions about branding that reach beyond Wall Street, and way beyond Philip Morris.

The panic of Marlboro Friday was not a reaction to a single incident. Rather, it was the culmination of years of escalating anxiety in the face of some rather dramatic shifts in consumer habits that were seen to be eroding the market share of household-name brands, from Tide to Kraft. Bargain-conscious shoppers, hit hard by the recession, were starting to pay more attention to price than to the prestige bestowed on their products by the yuppie ad campaigns of the 1980s. The public was suffering from a bad case of what is known in the industry as "brand blindness."

Study after study showed that baby boomers, blind to the alluring images of advertising and deaf to the empty promises of celebrity spokespersons, were breaking their lifelong brand loyalties and choosing to feed their families with private-label brands from the supermarket - claiming, heretically, that they couldn't tell the difference. From the beginning of the recession to 1993, Loblaw's President's Choice line, Wal-Mart's Great Value and Marks and Spencer's St. Michael prepared foods had nearly doubled their market share in North America and Europe. The computer market, meanwhile, was flooded by inexpensive clones, causing IBM to slash its prices and otherwise impale itself. It appeared to be a return to the proverbial shopkeeper dishing out generic goods from the barrel in a prebranded era.

The bargain craze of the early nineties shook the name brands to their core. Suddenly it seemed smarter to put resources into price reductions and other incentives than into fabulously expensive ad campaigns. This ambivalence began to be reflected in the amounts companies were willing to pay for so-called brand-enhancing advertising. Then, in 1991, it happened: overall advertising spending actually went down by 5.5 percent for the top 100 brands. It was the first interruption in the steady increase of U.S. ad expenditures since a tiny dip of 0.6 percent in 1970, and the largest drop in four decades.

It's not that top corporations weren't flogging their products, it's just that to attract those suddenly fickle customers, many decided to put their money into promotions such as giveaways, contests, in-store displays and (like Marlboro) price reductions. In 1983, American brands spent 70 percent of their total marketing budgets on advertising, and 30 percent on these other forms of promotion. By 1993, the ratio had flipped: only 25 percent went to ads, with the remaining 75 percent going to promotions.

Predictably, the ad agencies panicked when they saw their prestige clients abandoning them for the bargain bins and they did what they could to convince big spenders like Procter and Gamble and Philip Morris that the proper route out of the brand crisis wasn't less brand marketing but more. At the annual meeting of the U.S. Association of National Advertisers in 1988, Graham H. Phillips, the U.S. chairman of Ogilvy & Mather, berated the assembled executives for stooping to participate in "a commodity marketplace" rather than an image-based one. "I doubt that many of you would welcome a commodity marketplace in which one competed solely on price, promotion and trade deals, all of which can easily be duplicated by competition, leading to ever-decreasing profits, decay and eventual bankruptcy." Others spoke of the importance of maintaining "conceptual value-added," which in effect means adding nothing but marketing. Stooping to compete on the basis of real value, the agencies ominously warned, would spell not just the death of the brand, but corporate death as well.

Around the same time as Marlboro Friday, the ad industry felt so under siege that market researcher Jack Myers published Adbashing: Surviving the Attacks on Advertising, a book-length call to arms against everyone from supermarket cashiers handing out coupons for canned peas to legislators contemplating a new tax on ads. "We, as an industry, must recognize that adbashing is a threat to capitalism, to a free press, to our basic forms of entertainment, and to the future of our children," he wrote. Despite these fighting words, most market watchers remained convinced that the heyday of the value-added brand had come and gone. The eighties had gone in for brands and hoity-toity designer labels, reasoned David Scotland, European director of Hiram Walker. The nineties would clearly be all about value. "A few years ago," he observed, "it might have been considered smart to wear a shirt with a designer's logo embroidered on the pocket; frankly, it now seems a bit naff."

And from the other side of the Atlantic, Cincinnati journalist Shelly Reese came to the same conclusion about our no-name future, writing that "Americans with Calvin Klein splashed across their hip pocket aren't pushing grocery carts full of Perrier down the aisles anymore. Instead they're sporting togs with labels like Kmart's Jaclyn Smith and manoeuvring carts full of Kroger Co.'s Big K soda. Welcome to the private label decade."

Scotland and Reese, if they remember their bold pronouncements, are probably feeling just a little bit silly right now. Their embroidered "pocket" logos sound positively subdued by today's logo maniacal standards, and sales of name-brand bottled water have been increasing at an annual rate of 9 percent, turning it into a $3.4 billion industry by 1997. From today's logo-quilted perch, it's almost unfathomable that a mere six years ago, death sentences for the brand seemed not only plausible but self-evident.

So just how did we get from obituaries for Tide to today's battalions of volunteer billboards for Tommy Hilfiger, Nike and Calvin Klein? Who slipped the steroids into the brand's comeback?

The Brands Bounce Back

There were some brands that were watching from the sidelines as Wall Street declared the death of the brand. Funny, they must have thought, we don't feel dead.

Just as the admen had predicted at the beginning of the recession, the companies that exited the downturn running were the ones who opted for marketing over value every time: Nike, Apple, the Body Shop, Calvin Klein, Disney, Levi's and Starbucks. Not only were these brands doing just fine, thank you very much, but the act of branding was becoming a larger and larger focus of their businesses. For these companies, the ostensible product was mere filler for the real production: the brand. They integrated the idea of branding into the very fabric of their companies. Their corporate cultures were so tight and cloistered that to outsiders they appeared to be a cross between fraternity house, religious cult and sanatorium. Everything was an ad for the brand: bizarre lexicons for describing employees (partners, baristas, team players, and crew members), company chants, superstar CEOs, fanatical attention to design consistency, a propensity for monument-building and New Age mission statements. Unlike classic household brand names, such as Tide and Marlboro, these logos weren't losing their currency; they were in the midst of breaking

every barrier in the marketing world —becoming cultural accessories and lifestyle philosophers. These companies didn't wear their image like a cheap shirt —their image was so integrated with their business that other people wore it as their shirt. And when the brands crashed, these companies didn't even notice —they were branded to the bone.

So the real legacy of Marlboro Friday is that it simultaneously brought the two most significant developments in nineties marketing and consumerism into sharp focus: the deeply unhip big-box bargain stores that provide the essentials of life and monopolize a disproportionate share of the market (Wal-Mart ct al.) and the extra-premium "attitude" brands that provide the essentials of lifestyle and monopolize ever-expanding stretches of cultural space (Nike et al.). The way these two tiers of consumerism developed would have a profound impact on the economy in the years to come. When overall ad expenditures took a nosedive in 1991, Nike and Reebok were busy playing advertising chicken, with each company increasing its budget to outspend the other. In 1991 alone, Reebok upped its ad spending by 71.9 percent, while Nike pumped an extra 24.6 percent into its already soaring ad budget, bringing the company's total spending on marketing to a staggering $250 million annually. Far from worrying about competing on price, the sneaker pimps were designing ever more intricate and pseudoscientific air pockets, and driving up prices by signing star athletes to colossal sponsorship deals. The fetish strategy seemed to be working fine: in the six years prior to 1993, Nike had gone from a $750 million company to a $4 billion one and Phil Knight's Beaverton, Oregon, company emerged from the recession with profits 900 percent higher than when it began.

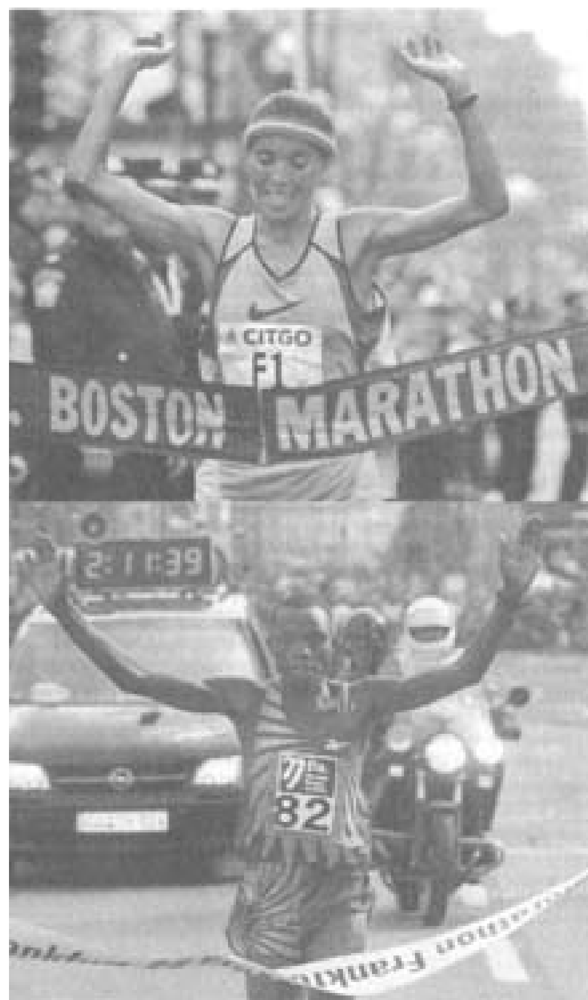
Benetton and Calvin Klein, meanwhile, were also upping their spending on lifestyle marketing, using ads to associate their lines with risqué art and progressive politics. Clothes barely appeared in these high-concept advertisements, let alone prices. Even more abstract was Absolut Vodka, which for some years now had been developing a marketing strategy in which its product disappeared and its brand was nothing but a blank bottle-shaped space that could be filled with whatever content a particular audience most wanted from its brands: intellectual in Harper's, futuristic in Wired, alternative in Spin, loud and proud in Out and "Absolut Centrefold" in Playboy. The brand reinvented itself as a cultural sponge, soaking up and morphing to its surroundings.

Saturn, too, came out of nowhere in October 1990 when GM launched a car built not out of steel and rubber but out of New Age spirituality and seventies feminism. After the car had been on the market a few years, the company held a "homecoming" weekend for Saturn owners, during which they could visit the auto plant and have a cookout with the people who made their cars. As the Saturn ads boasted at the time, "44,000 people spent their vacations with us, at a car plant." It was as if Aunt Jemima had come to life and invited you over to her house for dinner.

In 1993, the year the Marlboro Man was temporarily hobbled by "brand-blind" consumers, Microsoft made its striking debut on Advertising Age's list of the top 200 ad spenders-the very same year that Apple computer increased its marketing budget by 30 percent after already making branding history with its Orwellian takeoff ad launch during the 1984 Super Bowl (see image on page 86). Like Saturn, both companies were selling a hip new relationship to the machine that left Big Blue IBM looking as clunky and menacing as the now-dead Cold War.

And then there were the companies that had always understood that they were selling brands before product. Coke, Pepsi, McDonald's, Burger King and Disney weren't fazed by the brand crisis, opting instead to escalate the brand war, especially since they had their eyes firmly fixed on global expansion. They were joined in this project by a wave of sophisticated producer/retailers who hit full stride in the late eighties and early nineties. The Gap, Ikea and the Body Shop were spreading like wildfire during this period, masterfully transforming the generic into the brand-specific, largely through bold, carefully branded packaging and the promotion of an "experiential" shopping environment. The Body Shop had been a presence in Britain since the seventies, but it wasn't until 1988 that it began sprouting like a green weed on every street corner in the U.S. Even during the darkest years of the recession, the company opened between forty and fifty American stores a year. Most baffling of all to Wall Street, it pulled off the expansion without spending a dime on advertising. Who needed billboards and magazine ads when retail outlets were three-dimensional advertisements for an ethical and ecological approach to cosmetics? The Body Shop was all brand.

The Starbucks coffee chain, meanwhile, was also expanding during this period without laying out much in advertising; instead, it was spinning off its name into a wide range of branded projects: Starbucks airline coffee, office coffee, coffee ice cream, coffee beer. Starbucks seemed to understand brand names at a level even deeper than Madison Avenue, incorporating marketing into every fibre of its corporate concept-from the chain's strategic association with books, blues and jazz to its Euro-latte lingo. What the success of both the Body Shop and Starbucks showed was how far the branding project had come in moving beyond splashing one's logo on a billboard. Here were two companies that had fostered powerful identities by making their brand concept into a virus and sending it out into the culture via a variety of channels: cultural sponsorship, political controversy, the consumer experience and brand extensions. Direct advertising, in this context, was viewed as a rather clumsy intrusion into a much more organic approach to image building.



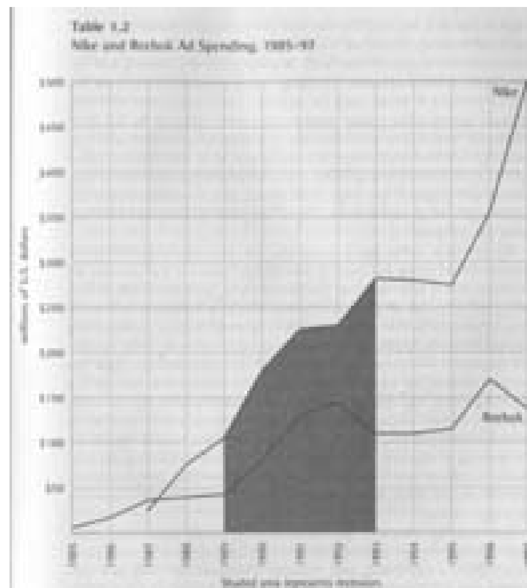


Table 1-2 Nike & Reebok Ad Spending, 1985-97

Scott Bedbury, Starbucks' vice president of marketing, openly recognized that "consumers don't truly believe there's a huge difference between products," which is why brands must "establish emotional ties" with their customers through "the Starbucks Experience." The people who line up for Starbucks, writes CEO Howard Shultz, aren't just there for the coffee. "It's the romance of the coffee experience, the feeling of warmth and community people get in Starbucks stores."

Interestingly, before moving to Starbucks, Bedbury was head of marketing at Nike, where he oversaw the launch of the "Just Do It!" slogan, among other watershed branding moments. In the following passage, he explains the common techniques used to infuse the two very different brands with meaning:

Nike, for example, is leveraging the deep emotional connection that people have with sports and fitness. With Starbucks, we see how coffee has woven itself into the fabric of people's lives, and that's our opportunity for emotional leverage.... A great brand raises the bar-it adds a greater sense of purpose to the experience, whether it's the challenge to do your best in sports and fitness or the affirmation that the cup of coffee you're drinking really matters.

This was the secret; it seemed, of all the success stories of the late eighties and early nineties. The lesson of Marlboro Friday was that there never really was a brand crisis - only brands that had crises of confidence. The brands would be okay, Wall Street

concluded, so long as they believed fervently in the principles of branding and never, ever blinked. Overnight, "Brands, not products!" became the rallying cry for a marketing renaissance led by a new breed of companies that saw themselves as "meaning brokers" instead of product producers. What was changing was the idea of what -in both advertising and branding-was being sold. The old paradigm had it that all marketing was selling a product. In the new model, however, the product always takes a back seat to the real product, the brand, and the selling of the brand acquired an extra component that can only be described as spiritual. Advertising is about hawking product. Branding, in its truest and most advanced incarnations, is about corporate transcendence.

It may sound flaky, but that's precisely the point. On Marlboro Friday, a line was drawn in the sand between the lowly price slashers and the high-concept brand builders. The brand builders conquered and a new consensus was born: the products that will flourish in the future will be the ones presented not as "commodities" but as concepts: the brand as experience, as lifestyle.

Ever since, a select group of corporations has been attempting to free itself from the corporeal world of commodities, manufacturing and products to exist on another plane. Anyone can manufacture a product, they reason (and as the success of private-label brands during the recession proved, anyone did). Such menial tasks, therefore, can and should be farmed out to contractors and subcontractors whose only concern is filling the order on time and under budget (ideally in the Third World, where labour is dirt cheap, laws are lax and tax breaks come by the bushel). Headquarters, meanwhile, is free to focus on the real business at hand — creating a corporate mythology powerful enough to infuse meaning into these raw objects just by signing its name.

The corporate world has always had a deep New Age streak; fed-it has become clear — by a profound need that could not be met simply by trading widgets for cash. But when branding captured the corporate imagination, New Age vision quests took centre stage. As Nike CEO Phil Knight explains, "For years we thought of ourselves as a production-oriented company, meaning we put all our emphasis on designing and manufacturing the product. But now we understand that the most important thing we do is market the product. We've come around to saying that Nike is a marketing-oriented company, and the

product is our most important marketing tool." This project has since been taken to an even more advanced level with the emergence of on-line corporate giants such as Amazon.com. It is on-line that the purest brands are being built: liberated from the real-world burdens of stores and product manufacturing, these brands are free to soar, less as the disseminators of goods or services than as collective hallucinations.

Tom Peters, who has long coddled the inner flake in many a hard-nosed CEO, latched on to the branding craze as the secret to financial success, separating the transcendental logos and the earthbound products into two distinct categories of companies. "The top half-Coca-Cola, Microsoft, Disney, and so on - are pure 'players' in brainware. The bottom half [Ford and GM] are still lumpy-object purveyors, though automobiles are much 'smarter' than they used to be," Peters writes in The Circle of Innovation (1997), an ode to the power of marketing over production.

When Levi's began to lose market share in the late nineties, the trend was widely attributed to the company's failure — despite lavish ad spending — to transcend its products and become a free-standing meaning. "Maybe one of Levi's problems is that it has no Cola," speculated Jennifer Steinhauer in The New York Times. "It has no denim-toned house paint. Levi makes what is essentially a commodity: blue jeans. Its ads may evoke rugged out-doorsmanship, but Levi hasn't promoted any particular life style to sell other products."

In this high-stakes new context, the cutting-edge ad agencies no longer sold companies on individual campaigns but on their ability to act as "brand stewards": identifying, articulating and protecting the corporate soul. Not surprisingly, this spelled good news for the U.S. advertising industry, which in 1994 saw a spending increase of 8.6 percent over the previous year. In one year, the ad industry went from a near crisis to another "best year yet." And that was only the beginning of triumphs to come. By 1997, corporate advertising, defined as "ads that position a corporation, its values, its personality and character" were up 18 percent from the year before.

With this wave of brand mania has come a new breed of businessman, one who will proudly inform you that Brand X is not a product but a way of life, an attitude, a set of

values, a look, an idea. And it sounds really great - way better than that Brand X is a screwdriver, or a hamburger chain, or a pair of jeans, or even a very successful line of running shoes. Nike, Phil Knight announced in the late eighties, is "a sports company"; its mission is not to sell shoes but to "enhance people's lives through sports and fitness" and to keep "the magic of sports alive." Company president-cum-sneaker-shaman Tom Clark explains that "the inspiration of sports allows us to rebirth ourselves constantly."

Reports of such "brand vision" epiphanies began surfacing from all corners. "Polaroid's problem," diagnosed the chairman of its advertising agency, John Hegarty, "was that they kept thinking of themselves as a camera. But the '[brand] vision' process taught us something: Polaroid is not a camera-it's a social lubricant." IBM isn't selling computers, its selling business "solutions." Swatch is not about watches, it is about the idea of time. At Diesel Jeans, owner Renzo Rosso told Paper magazine, "We don't sell a product; we sell a style of life. I think we have created a movement.... The Diesel concept is everything. It's the way to live, it's the way to wear, it's the way to do something." And as Body Shop founder Anita Roddick explained to me, her stores aren't about what they sell, they are the conveyers of a grand idea — a political philosophy about women, the environment and ethical business. "I just use the company that I surprisingly created as a success — it shouldn't have been like this, it wasn't meant to be like this —to stand on the products to shout out on these issues," Roddick says.

The famous late graphic designer Tibor Kalman summed up the shifting role of the brand this way: "The original notion of the brand was quality, but now brand is a stylistic badge of courage."

The idea of selling the courageous message of a brand, as opposed to a product, intoxicated these CEOs, providing as it did an opportunity for seemingly limitless expansion. After all, if a brand was not a product, it could be anything! And nobody embraced branding theory with more evangelical zeal than Richard Branson, whose Virgin Group has branded joint ventures in everything from music to bridal gowns to airlines to cola to financial services. Branson refers derisively to the "stilted Anglo-Saxon view of consumers," which holds that a name should be associated with a product like sneakers

or soft drinks, and opts instead for "the Asian 'trick'" of the keiretsus (a Japanese term meaning a network of linked corporations). The idea, he explains, is to "build brands not around products but around reputation. The great Asian names imply quality, price and innovation rather than a specific item. I call these 'attribute' brands: They do not relate directly to one product — such as a Mars bar or a Coca-Cola — but instead to a set of values."

Tommy Hilfiger, meanwhile, is less in the business of manufacturing clothes than he is in the business of signing his name. The company is run entirely through licensing agreements, with Hilfiger commissioning all its products from a group of other companies: Jockey International makes Hilfiger underwear, Pepe Jeans London makes Hilfiger jeans, Oxford Industries make Tommy shirts, and the Stride Rite Corporation makes its footwear. What does Tommy Hilfiger manufacture? Nothing at all.

So passé had products become in the age of lifestyle branding that by the late nineties, newer companies like Lush cosmetics and Old Navy clothing began playing with the idea of old-style commodities as a source of retro marketing imagery. The Lush chain serves up its face masks and moisturizers out of refrigerated stainless-steel bowls, spooned into plastic containers with grocery-store labels. Old Navy showcases its shrink-wrapped T-shirts and sweatshirts in deli-style chrome refrigerators, as if they were meat or cheese. When you are a pure, concept-driven brand, the aesthetics of raw product can prove as "authentic" as loft living.

And lest the branding business be dismissed as the playground of trendy consumer items such as sneakers, jeans and New Age beverages, think again. Caterpillar, best known for building tractors and busting unions, has barrelled into the branding business, launching the Cat accessories line: boots, backpacks, hats and anything else calling out for a post-industrial je ne sais quoi. Intel Corp., which makes computer parts no one sees and few understand, transformed its processors into a fetish brand with TV ads featuring line workers in funky metallic space suits dancing to "Shake Your Groove Thing." The Intel mascots proved so popular that the company has sold hundreds of thousands of bean-filled dolls modelled on the shimmery dancing technicians. Little wonder, then, that when asked about the company's decision to diversify its products, the senior vice president for

sales and marketing, Paul S. Otellini, replied that Intel is "like Coke. One brand, many different products."

And if Caterpillar and Intel can brand, surely anyone can.

There is, in fact, a new strain in marketing theory that holds that even the lowliest natural resources, barely processed, can develop brand identities, thus giving way to hefty premium-price mark-ups. In an essay appropriately titled "How to Brand Sand," advertising executives Sam I. Hill, Jack McGrath and Sandeep Dayal team up to tell the corporate world that with the right marketing plan, nobody has to stay stuck in the stuff business. "Based on extensive research, we would argue that you can indeed brand not only sand, but also wheat, beef, brick, metals, concrete, chemicals, corn grits and an endless variety of commodities traditionally considered immune to the process."

Over the past six years, spooked by the near-death experience of Marlboro Friday, global corporations have leaped on the brand-wagon with what can only be described as a religious fervour. Never again would the corporate world stoop to praying at the altar of the commodity market. From now on they would worship only graven media images. Or to quote Tom Peters, the brand man himself: "Brand! Brand!! Brand!!! That's the message... for the late '90s and beyond."

CHAPTER TWO

THE BRAND EXPANDS

How the Logo Grabbed Centre Stage

Since the crocodile is the symbol of Lacoste, we thought they might be interested in sponsoring our crocodiles.
— Silvino Gomes, commercial director of the Lisbon Zoo, n the institution's creative corporate ponsorship program, March 1998

I was in Grade 4 when skin-tight designer jeans were the be-all and end-all, and my friends and I spent a lot of time checking out each other's butt for logos. "Nothing comes between me and my Calvins," Brooke Shields assured us, and as we lay back on our beds Ophelia-style and yanked up the zippers on our Jordache jeans with wire hangers, we knew she was telling no word of a lie. At around the same time, Romi, our schools own pint-sized Farrah Fawcett, used to make her rounds up and down the rows of desks turning back the collars on our sweaters and polo shirts. It wasn't enough for her to see an alligator or a leaping horseman —it could have been a knockoff. She wanted to see the label behind the logo. We were only eight years old but the reign of logo terror had begun.

About nine years later, I had a job folding sweaters at an Esprit clothing store in Montreal. Mothers would come in with their six-year-old daughters and ask to see only the shirts that said "Esprit" in the company's trademark bold block lettering. "She won't wear anything without a name," the moms would confide apologetically as we chatted by the change rooms. It's no secret that branding has become far more ubiquitous and intrusive by now. Labels like Baby Gap and Gap Newborn imprint brand awareness on toddlers and turn babies into mini-billboards. My friend Monica tells me that her seven-year-old son marks his homework not with check marks but with little red Nike swooshes.

Until the early seventies, logos on clothes were generally hidden from view, discreetly placed on the inside of the collar. Small designer emblems did appear on the outside of shirts in the first half of the century, but such sporty attire was pretty much restricted to the

golf courses and tennis courts of the rich. In the late seventies, when the fashion world rebelled against Aquarian flamboyance, the country-club wear of the fifties became mass style for newly conservative parents and their preppy kids. Ralph Lauren's Polo horseman and Izod Lacoste's alligator escaped from the golf course and scurried into the streets, dragging the logo decisively onto the outside of the shirt. These logos served the same social function as keeping the clothing's price tag on: everyone knew precisely what premium the wearer was willing to pay for style. By the mid-eighties, Lacoste and Ralph Lauren were joined by Calvin Klein, Esprit and, in Canada, Roots; gradually, the logo was transformed from an ostentatious affectation to an active fashion accessory. Most significantly, the logo itself was growing in size, ballooning from a three-quarter-inch emblem into a chest-sized marquee. This process of logo inflation is still progressing, and none is more bloated than Tommy Hilfiger, who has managed to pioneer a clothing style that transforms its faithful adherents into walking, talking, life-sized Tommy dolls, mummified in fully branded Tommy worlds.

This scaling-up of the logo's role has been so dramatic that it has become a change in substance. Over the past decade and a half, logos have grown so dominant that they have essentially transformed the clothing on which they appear into empty carriers for the brands they represent. The metaphorical alligator, in other words, has risen up and swallowed the literal shirt.

This trajectory mirrors the larger transformation our culture has undergone since Marlboro Friday, sparked by a stampede of manufacturers looking to replace their cumbersome product-production apparatus with transcendent brand names and to infuse their brands with deep, meaningful messages. By the mid-nineties, companies like Nike, Polo and Tommy Hilfiger were ready to take branding to the next level: no longer simply branding their own products, but branding the outside culture as well—by sponsoring cultural events, they could go out into the world and claim bits of it as brand-name outposts. For these companies, branding was not just a matter of adding value to a product. It was about thirstily soaking up cultural ideas and iconography that their brands could reflect by projecting these ideas and images back on the culture as "extensions" of their brands. Culture, in other words, would add value to their brands. For example, Onute Miller, senior

brand manager for Tequila Sauza, explains that her company sponsored a risqué photography exhibit by George Holz because "art was a natural synergy with our product."

Branding's current state of cultural expansionism is about much more than traditional corporate sponsorships: the classic arrangement in which a company donates money to an event in exchange for seeing its logo on a banner or in a program. Rather, this is the Tommy Hilfiger approach of full-frontal branding, applied now to cityscapes, music, art, films, community events, magazines, sports and schools. This ambitious project makes the logo the central focus of everything it touches - not an add-on or a happy association, but the main attraction.

Advertising and sponsorship have always been about using imagery to equate products with positive cultural or social experiences. What makes nineties-style branding different is that it increasingly seeks to take these associations out of the representational realm and make them a lived reality. So the goal is not merely to have child actors drinking Coke in a TV commercial, but for students to brainstorm concepts for Coke's next ad campaign in English class. It transcends logo-festooned Roots clothing designed to conjure memories of summer camp and reaches out to build an actual Roots country lodge that becomes a 3-D manifestation of the Roots brand concept. Disney transcends its sports network ESP1M, a channel for guys who like to sit around in sports bars screaming at the TV, and launches a line of ESPN Sports Bars, complete with giant-screen TVs. The branding process reaches beyond heavily marketed Swatch watches and launches "Internet time," a new venture for the Swatch Group, which divides the day into one thousand "Swatch beats." The Swiss company is now attempting to convince the on-line world to abandon the traditional clock and switch to its time-zone-free, branded time.

The effect, if not always the original intent, of advanced branding is to nudge the hosting culture into the background and make the brand the star. It is not to sponsor culture but to be the culture. And why shouldn't it be? If brands are not products but ideas, attitudes, values and experiences, why can't they be culture too? As we will see later in the chapter, this project has been so successful that the lines between corporate sponsors and sponsored culture have entirely disappeared. But this conflation has not been a one-way process, with passive artists allowing themselves to be shoved into the background by

aggressive multinational corporations. Rather, many artists, media personalities, film directors and sports stars have been racing to meet the corporations halfway in the branding game. Michael Jordan, Puff Daddy, Martha Stewart, Austin Powers, Brandy and Star Wars now mirror the corporate structure of corporations like Nike and the Gap, and they are just as captivated by the prospect of developing and leveraging their own branding potential as the product-based manufacturers. So what was once a process of selling culture to a sponsor for a price has been supplanted by the logic of "co-branding" - a fluid partnership between celebrity people and celebrity brands.

The project of transforming culture into little more than a collection of brand-extensions-in-waiting would not have been possible without the deregulation and privatization policies of the past three decades. In Canada under Brian Mulroney, in the U.S. under Ronald Reagan and in Britain under Margaret Thatcher (and in many other parts of the world as well), corporate taxes were dramatically lowered, a move that eroded the tax base and gradually starved out the public sector. As government spending dwindled, schools, museums and broadcasters were desperate to make up their budget shortfalls and thus ripe for partnerships with private corporations. It also didn't hurt that the political climate during this time ensured that there was almost no vocabulary to speak passionately about the value of a non-commercialized public sphere. This was the time of the Big Government bogeyman and deficit hysteria, when any political move that was not overtly designed to increase the freedom of corporations was vilified as an endorsement of national bankruptcy. It was against this backdrop that, in rapid order, sponsorship went from being a rare occurrence (in the 1970s) to an exploding growth industry (by the mid-eighties), picking up momentum in 1984 at the Los Angeles Olympics.

At first, these arrangements seemed win-win: the cultural or educational institution in question received much-needed funds and the sponsoring corporation was compensated with some modest form of public acknowledgment and a tax break. And, in fact, many of these new public-private arrangements were just that simple, successfully retaining a balance between the cultural event or institution's independence and the sponsor's desire for credit, often helping to foster a revival of arts accessible to the general public. Successes like these are frequently overlooked by critics of commercialization, among whom there is an unfortunate tendency to tar all sponsorship with the same brush, as if

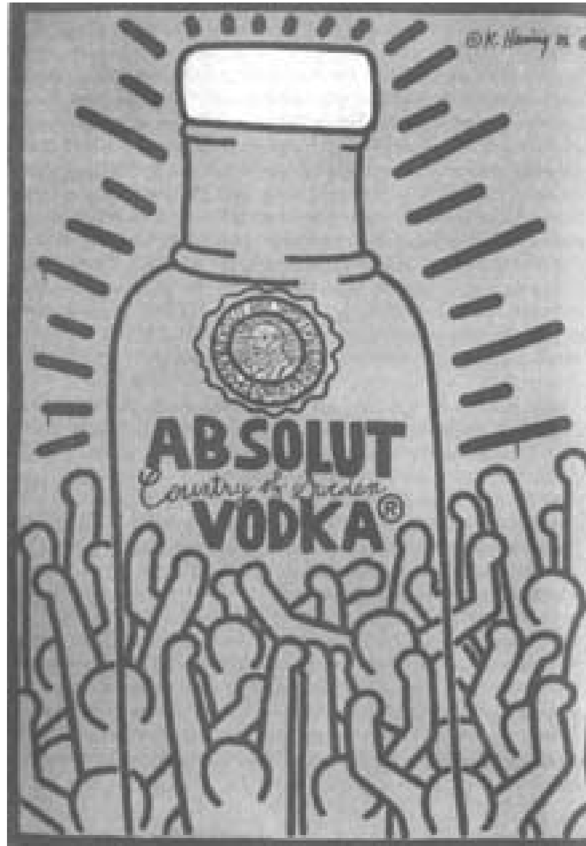
any contact with a corporate logo infects the natural integrity of an otherwise pristine public event or cause. Writing in The Commercialization of American Culture, advertising critic Matthew McAllister labels corporate sponsorship "control behind a philanthropic facade." He writes:

While elevating the corporate, sponsorship simultaneously devalues what it sponsors.... The sporting event, the play, the concert and the public television program become subordinate to promotion because, in the sponsor's mind and in the symbolism of the event, they exist to promote. It is not Art for Art's Sake as much as Art for Ad's Sake. In the public's eye, art is yanked from its own separate and theoretically autonomous domain and squarely placed in the commercial.... Every time the commercial intrudes on the cultural, the integrity of the public sphere is weakened because of the obvious encroachment of corporate promotion.

This picture of our culture's lost innocence is mostly romantic fiction. Though there have always been artists who have fought fiercely to protect the integrity of their work, neither the arts, sports nor the media have ever, even theoretically, been the protected sovereign states that McAllister imagines. Cultural products are the all-time favourite playthings of the powerful, tossed from wealthy statesmen such as Gaius Cilnius Maecenas, who set up the poet Horace in a writing estate in 33 B.C., and from rulers like Francis I and the Medici family, whose love of the arts bolstered the status of Renaissance painters in the sixteenth century. Though the degree of meddling varies, our culture was built on compromises between notions of public good and the personal, political and financial ambitions of the rich and powerful.

Of course there are some forms of corporate sponsorship that are inherently insidious - the tobacco industry's corralling of the arts springs to mind. But not all sponsorship deals should be so easily dismissed. Not only are such broad strokes unfair to worthy projects but, perhaps more important, they can prevent us from seeing changes in the field. If all corporate sponsorship arrangements are regarded as equally compromised, it becomes easy not to notice when the role of the corporate sponsor begins to expand and change — which is precisely what has been happening over the past decade as global corporate

sponsorship has ballooned from a $7-billion-a-year industry in 1991 to a $19.2 billion one in 1999.



Absolut Vodka – Keith Haring, Absolut Haring (detail), 1986

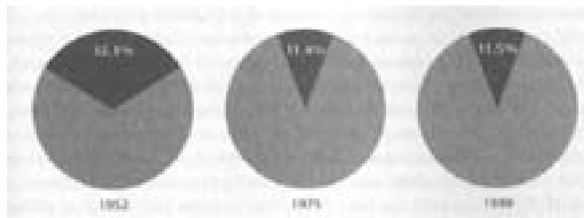


Table 2.1 Corporate Tax as a Percentage of Total Federal Revenue in the US, 1952, 1975 and 1998

Table 2.2 Increase in US Corporate Sponsorship Spending since 1985

When sponsorship took off as a stand-in for public funds in the mid-eighties, many corporations that had been experimenting with the practice ceased to see sponsorship as a hybrid of philanthropy and image promotion and began to treat it more purely as a marketing tool, and a highly effective one at that. As its promotional value grew — and as dependency on sponsorship revenue increased in the cultural industries — the delicate dynamic between sponsors and the sponsored began to shift, with many corporations becoming more ambitious in their demands for grander acknowledgments and control, even buying events outright. Molson and Miller beer, as we will see further on in this chapter, are no longer satisfied with having their logos on banners at rock concerts. Instead, they have pioneered a new kind of sponsored concert in which the blue-chip stars who perform are entirely upstaged by their hosting brand. And while corporate sponsorship has long been a mainstay in museums and galleries, when Philip Morris-owned Altoids mints decided in January 1999 that it wanted to get into the game, it cut out the middleman. Rather than sponsoring an existing show, the company spent $250,000 to buy works by twenty emerging artists and launch its own Curiously Strong Collection, a travelling art exhibition that plays on the Altoids marketing slogan, "Curiously strong mints." Chris Peddy, Altoids brand manager, said, "We decided to take it to the next level."

These companies are part of a larger phenomenon explained by Lesa Ukman, executive editor of the International Events Group Sponsorship Report, the industry's bible: "From MasterCard and Dannon to Phoenix Home Life and LaSalle Bank, companies are buying properties and creating their own events. This is not because they want to get into the business. It's because proposals sponsors receive don't fit their requirements or because they've had negative experiences buying into someone else's gig." There is a certain logic to this progression: first, a select group of manufacturers transcend their connection to their earthbound products, then, with marketing elevated as the pinnacle of their businesses, they attempt to alter marketing's social status as a commercial interruption and replace it with seamless integration.

The most insidious effect of this shift is that after a few years of Molson concerts, Pepsi-sponsored papal visits, Izod zoos and Mike after-school basketball programs, everything from small community events to large religious gatherings are believed to "need a

sponsor" to get off the ground; August 1999, for instance, saw the first-ever private wedding with corporate sponsorship. This is what Leslie Savan, author of The Sponsored Life, describes as symptom number one of the sponsored mindset: we become collectively convinced not that corporations are hitching a ride on our cultural and communal activities, but that creativity and congregation would be impossible without their generosity.

The Branding of the Cityscape

The expansive trajectory of branding revealed itself to Londoners in a 1997 holiday season morality play. It began when the Regent Street Association found itself without enough money to replace the dimming Christmas lights that normally adorned the street during the season. Yves Saint Laurent stepped in and generously offered to split the cost of new decorations in exchange for seeing its logo up in lights. But when the time came to hang the Christmas lights, it seemed that the YSL logos were much larger than the agreed-upon size. Every few steps, shoppers were reminded by illuminated signs 5.5 meters high just who had brought them Christmas. The logos were eventually replaced with smaller ones, but the lesson remained: the role of the sponsor, like that of advertising in general, has a tendency to expand.

While yesterday's corporate sponsors may have been satisfied merely propping up community events, the meaning-seeking brand builders will never accept this role for long. Branding is, at its core, a deeply competitive undertaking in which brands are up against not only their immediate rivals (Mike vs. Reebok, Coke vs. Pepsi, McDonald's vs. Burger King, for example) but all other brands in the mediascape, including the events and people they are sponsoring. This is perhaps branding's crudest irony: most manufacturers and retailers begin by seeking out authentic scenes, important causes and cherished public events so that these things will infuse their brands with meaning. Such gestures are frequently motivated by genuine admiration and generosity. Too often, however, the expansive nature of the branding process ends up causing the event to be usurped, creating the quintessential lose-lose situation. Mot only do fans begin to feel a sense of alienation from (if not outright resentment toward) once-cherished cultural events, but the

sponsors lose what they need most: a feeling of authenticity with which to associate their brands.

That's certainly what happened to Michael Chesney, the hip-hop adman who painted Canadian billboards into the branding era. He loved Toronto's Queen Street West —the funky clothing stores, the artists on all the patios, and, most of all, the graffiti art that figured large on the walls in that part of town. For Chesney, it was a short step from the public's growing interest in the cultural value of graffiti to the commercial takeover of that pocket of marginal space — a space used and reused by the disenfranchised for political and cultural expression in every city in the world.

From the start, Chesney considered himself a distant relative of the graffiti kids — though less a cousin than a rich uncle. The way he saw it, as a commercial artist and billboard salesman he was also a creature of the streets, because even if he was painting for corporate clients, he, like the graffiti artists, left his mark on walls. It was in this context that Chesney pioneered the advertising practice of the "building takeover." In the late eighties, Chesney's company Murad began painting directly onto building walls, letting the size of each structure dictate the dimensions of the ad. The idea harked back to 1920s Coca-Cola murals on corner grocery stores and to early-industrial urban factories and department stores that painted their names and logos in giant block lettering on their buildings' facades. The walls Chesney rented to Coke, Warner Brothers and Calvin Klein were a little bit bigger, however, reaching their pinnacle at a colossal 20,000-square-foot billboard overlooking one of Toronto's busiest intersections. Gradually, the ads wrapped around the corners of the buildings so that they covered not just one wall, but all of them: the ad as edifice.

In the summer of 1996, when Levi Strauss chose Toronto to test-market its new SilverTab jeans line, Chesney put on his most daring show yet: he called it "The Queen Street Takeover." Between 1996 and 1997, Levi's increased its spending on billboard advertisements by a startling 301 percent — and Toronto saw much of that windfall. For one year, as the centrepiece of the most expensive outdoor ad campaign in Canadian history, Chesney painted his beloved strip silver. He bought up the facades of almost every building on the busiest stretch of Queen and turned them into Levi's billboards,

upping the ante of the ad extravaganza even further with 3-D extensions, mirrors and neon. It was Murad's greatest triumph, but the takeover presented some problems for Michael Chesney. When I spent a day with him at the tail end of the SilverTab bonanza, he could barely walk down Queen Street without running into somebody who was furious about the invasion. After ducking a few bullets, he told me a story of bumping into an acquaintance: "she said, 'You took over Queen Street.' She was really almost crying and I just, my heart sank, and she was really bummed out. But, hey, what can you do? It's the future, it's not Queen anymore."

Nearly every major city has seen some variation of the 3-D ad takeover, if not on entire buildings, then on buses, streetcars or taxis. It is sometimes difficult, however, to express dissatisfaction with this brand expansion — after all, most of these venues and vehicles have been carrying some form of advertising for decades. But somewhere along the line, the order flipped. Now buses, streetcars and taxis, with the help of digital imaging and large pieces of adhesive vinyl, have become ads on wheels, shepherding passengers around in giant chocolate bars and gum wrappers, just as Hilfiger and Polo turned clothing into wearable brand billboards.

If this creeping ad expansion seems a mere matter of semantics when applied to taxis and T-shirts, its implications are much more serious when looked at in the context of another marketing trend: the branding of entire neighbourhoods and cities. In March 1999, Los Angeles mayor Richard Riordan unveiled a plan to revitalize poor inner-city areas, many of them still scarred from the 1992 riots after the Rodney King verdict: corporations would adopt a run-down part of town and brand its redevelopment. For the time being, the sponsors of Genesis LA, as the project is called - among them Bank-America and Wells Fargo & Co. — only have the option of seeing these sites named after them, much like a sponsored sports arena. But if the initiative follows the expansive branding trajectory seen elsewhere, the sponsoring companies could well wield more politically powerful roles in these communities soon.

The idea of a fully privatized, branded town or neighbourhood is not nearly as far-fetched today as it was only a few years ago, as the inhabitants of Disney's town Celebration, Florida, can attest —and as the citizens of Cashmere, Washington, have quickly learned.

A sleepy town of 2,500 people, Cashmere has as its major industry the Liberty Orchard candy factory, which has been making Aplets and Collets chewy sweets since it was founded in 1918. It was all very quaint until Liberty Orchard announced in September 1997 that it would leave for greener pastures unless the town agreed to transform itself into a 3-D tourist attraction for the Aplets and Cotlets all-American brand, complete with signs along the highway and a downtown turned into a corporate gift shop. The Wall Street Journal reported the company's ransom demands:

They want all road signs and official correspondence by the city to say "Cashmere, Home of Aplets and Cotlets." They have asked that one of the two main streets in town be changed to Cotlets Avenue, and the other one be renamed Aplets Avenue. The candy maker also wants the Mayor and Council to sell City Hall to them, build new parking lots and possibly go to the bond market to start a tourism campaign on behalf of the worldwide headquarters of a company that says its story is "America in a nutshell."

The Branding of Media

Although there is a clear trajectory in all of these stories, there is little point, at this stage in our sponsored history, in pining for either a mythic brand-free past or some Utopian commercial-free future. Branding becomes troubling —as it did in the cases just discussed —when the balance tips dramatically in favour of the sponsoring brand, stripping the hosting culture of its inherent value and treating it as little more than a promotional tool. It is possible, however, for a more balanced relationship to unfold —one in which both sponsor and sponsored hold on to their power and in which clear boundaries are drawn and protected. As a working journalist, I know that critical, independent — even Anticorporate — coverage does appear in corporate-owned media, sandwiched, no less, between the car and tobacco ads. Are these articles tainted by this impure context? No doubt. But if balance (as opposed to purity) is the goal, then maybe print media, where the first mass-market advertising campaigns began, can hold some important lessons for how to cope with the expansionist agenda of branding.

"I appeal to every producer not to release "sponsored" moving pictures … Believe me, if you jam advertising down their throats and pack their eyes and ears with it, you will build up a resentment that will in time damm your business. – Carl Laemmle or Universal Pictures, 1931

It is common knowledge that many advertisers rail at controversial content, pull their ads when they are criticized even slightly and perpetually angle for so-called value-addeds — plugs for their wares in shopping guides and fashion spreads. For example, S.C. Johnson & Co. stipulates that its ads in women's magazines "should not be opposite extremely controversial features or material antithetical to the nature/copy of the advertised product" while De Beers's diamonds demands that their ads be far from any "hard news or anti/love-romance themed editorial." And up until 1997, when Chrysler placed an ad it demanded that it be "alerted in advance of any and all editorial content that encompasses sexual, political, social issues or any editorial that might be construed as provocative or offensive." But the advertisers don't always get their way: controversial stories make it to print and to air, even ones critical of major advertisers. At its most daring and uncompromised, the news media can provide workable models for the protection of the public interest even under heavy corporate pressure, though these battles are often won behind closed doors. On the other hand, at their worst, these same media show how deeply distorting the effects of branding can be on our public discourse — particularly since journalism, like every other part of our culture, is under constantly increasing pressure to merge with the brands.

Part of this stepped-up pressure is coming from the explosion of sponsored media projects: magazines, Web sites and television programs that invite corporate sponsors to become involved at the development stage of a venture. That's the role Heineken played in the British music and youth culture show Hotel Babylon, which aired on 1TV. In an embarrassing incident in January 1996, a memo from a Heineken executive was leaked to the press that berated the producers for insufficiently "Heineken-izing" the as-yet-unaired program. Specifically, Justus Kos objected to male audience members drinking wine as opposed to "masculine drinks like beer, whisky," noted that "more evidence of beer is not just requested but needed" and complained that the show's host "shouldn't stand in the way of the beer columns when introducing guests." Most inflammatory of all was the executive's complaint that there was "too high a proportion of negroes in the audience." After the controversy made its way into the press, Heineken CEO Karel Vuursteen issued a public apology.

Another sponsor scandal erupted during the 1998 Winter Olympics in Nagano, Japan, when CBS investigative journalist Roberta Baskin saw her CBS Sports department colleagues reporting on the games in jackets adorned with bold Nike logos. Nike was the official sponsor of the network's Olympic coverage and it provided news and sports reporters with the swooshed gear because, according to Nike spokesman Lee Weinstein, it "helps us build awareness about our products." Baskin was "dismayed and embarrassed" that CBS reporters seemed to be endorsing Nike products, not only because it represented a further dissolution of the line between editorial and advertising, but because two years earlier, Baskin had broken a news story about physical abuse of workers at a Nike shoe factory in Vietnam. She accused the station of refusing to allow her to pursue a follow-up and of yanking the original story from a scheduled rerun because of its sponsorship deal with Nike. CBS News president Andrew Heyward strenuously denied bowing to sponsor pressure, calling Baskin's allegations "truly preposterous." He did pull the Nike jackets off the news reporters midway through the games, though the sports department kept theirs on.

In some ways, these stories are simply pumped-up versions of the same old tug-of-war between editorial and advertising that journalists have faced for a century and a quarter. Increasingly, however, corporations aren't just asking editors and producers to become their de facto ad agencies by dreaming up ways to plug their wares in articles and photo shoots, they are also asking magazines to become their actual ad agencies, by helping them to create the ads that run in their magazines. More and more magazines are turning their offices into market-research firms and their readers into focus groups in an effort to provide the most cherished "value-added" they can offer their clients: highly detailed demographic information about their readership, amassed through extensive surveys and questionnaires.

In many cases, the magazines then use the readership information to design closely targeted advertisements for their clients. Details magazine, for instance, designed a twenty-four-page comic/advertisement strip in October 1997, with products like Hugo Boss cologne and Lee jeans woven into a story line about the daily adventures of a professional

in-line skater. On the page following each product's extreme cameo, the company's real ad appeared.

The irony of these branding experiments, of course, is that they only seem to make brands more resentful of the media that host them. Inevitably, the lifestyle brands begin to ask why they need to attach themselves to someone else's media project in the first place. Why, even after proving they can integrate into the most stylish and trendiest of magazines, should they be kept at arm's length or, worse, branded with the word "Advertisement," like the health warnings on packs of cigarettes? So, with lifestyle magazines looking more and more like catalogs for designers, designer catalogs have begun to look more and more like magazines: Abercrombie & Fitch, J. Crew, Harry Rosen and Diesel have all shifted to a storybook format, where characters frolic along sketchily drawn plotlines.

The merger between media and catalogue reached a new high with the launch of the teen TV drama Dawson's Creek in January of 1998. Not only did the characters all wear J. Crew clothes, not only did the windswept, nautical set make them look as if they had stepped off the pages of a J. Crew catalogue, and not only did the characters spout dialogue like "He looks like he stepped out of a J. Crew catalogue," but the cast was also featured on the cover of the January J. Crew catalogue. Inside the new "freestyle magalog," the young actors are pictured in rowboats and on docks-looking as if they just stepped off the set of a Dawson's Creek episode.

To see the birthplace of this kind of brand ambition, you have to go online, where there was never really any pretence of a wall existing between editorial and advertisement. On the Web, marketing language reached its nirvana: the ad-free ad. For the most part, the on-line versions of media outlets feature straightforward banner ads similar to their paper or broadcast versions, but many media outlets have also used the Met to blur the line between editorial and advertising much more aggressively than they could in the non-virtual world. For instance, on the Teen People site, readers can click and order cosmetics and clothing as they read about them. On the Entertainment Weekly site, visitors can click and order the books and CDs being reviewed. In Canada, The Globe and Mail has attracted the ire of independent booksellers for the on-line version of its book review

section, ChaptersGLOBE.com. After reading Globe reviews, readers can click to order books directly from the Chapters chain — a reviewer/retailer partnership that formed "Canada's largest online bookstore." The New York Times' on-line partnership with Barnes and Noble has caused similar controversies in the U.S.

These sites are relatively tame examples of the branding-content integration taking place on the Net, however. Sites are increasingly created by "content developers," whose role is to produce editorial that will make an ad-cozy home for the developers' brand-name clients. One such on-line venture is Parent Soup, invented by content developer "iVillage" for Fisher-Price, Starbucks, Procter and Gamble and Polaroid. It calls itself a "parents' community" and attempts to imitate a user-driven newsgroup, but when parents go to Parent Soup to get peer advice, they receive such branded wisdom as: the way to improve your child's self-esteem is by taking Polaroid’s of her. No need to bully or buy off editors -just publish do-it-yourself content, with ads pre-integrated.

Absolut Vodka's 1997 Absolut Kelly Internet site provided an early preview of the direction in which branded media are headed. The distiller had long since solicited original, brand-centred creations from visual artists, fashion designers and novelists to use in its advertisements — but this was different. On Absolut Kelly, only the name of the site advertised the product; the rest was an illustrated excerpt from Wired magazine editor Kevin Kelly's book Out of Control. This, it seemed, was what the brand managers had aspired to all along: for their brands to become quietly integrated into the heart of the culture. Sure, manufacturers will launch noisy interruptions if they are locked on the wrong side of the commerce/culture divide, but what they really want is for their brand to earn the right to be accepted, not just as advertising art but simply as art. Off-line, Absolut is still a major advertiser in Wired, but on-line, it is Absolut that is the host, and a Wired editor the supporting act.

Rather than merely bankrolling someone else's content, all over the Net, corporations are experimenting with the much-coveted role of being "content providers": Gap's site offers travel tips, Volkswagen provides free music samples, Pepsi urges visitors to download video games, and Starbucks offers an on-line version of its magazine, Joe. Every brand with a Web site has its own virtual, branded media outlet —a beachhead from which to

expand into other non-virtual media. What has become clear is that corporations aren't just selling their products on-line; they're selling a new model for the media's relationship with corporate sponsors and backers. The Internet, because of its anarchic nature, has created the space for this model to be realized swiftly, but the results are clearly made for off-line export. For instance, about a year after the launch of Absolut Kelly, the company reached full editorial integration in Saturday Night magazine when the final page of a nine-page excerpt from Mordecai Richler's novel Barney's Version was wrapped around the silhouette of an Absolut bottle. This was not an ad, it was part of the story, yet at the bottom of the page were the words

"Absolut Mordecai."

Although magazines and individual television shows are beginning to see the branded light, it is a network, MTV, that is the model for fully branded media integration. MTV started out sponsored, as a joint venture between Warner Communications and American Express. From the beginning, MTV has not been just a marketing machine for the products it advertises around the clock (whether those products are skin cleansers or the albums it moves with its music videos); it has also been a twenty-four-hour advertisement for MTV itself: the first truly branded network. Though there have been dozens of imitators since, the original genius of MTV, as every marketer will tell you, is that viewers didn't watch individual shows, they simply watched MTV. "As far as we were concerned, MTV was the star," says Tom Freston, network founder. And so advertisers didn't want to just advertise on MTV, they wanted to co-brand with the station in ways that are still unimaginable on most other networks: giveaways, contests, movies, concerts, awards ceremonies, clothing, countdowns, listings, credit cards and more.

The model of the medium-as-brand that MTV perfected has since been adopted by almost every other major media outlet, whether magazines, film studios, television networks or individual shows. The hip-hop magazine Vibe has extended into television, fashion shows and music seminars. Fox Sports has announced that it wants its new line of men's clothing to be on par with Nike: "We are hoping to take the attitude and lifestyle of Fox Sports off the TV and onto men's backs, creating a nation of walking billboards," said David Hill, CEO of Fox Broadcasting.

The rush to branding has been most dramatic in the film industry. At the same time that brand-name product placement in films has become an indispensable marketing vehicle for companies like Nike, Macintosh and Starbucks, films themselves are increasingly being conceptualized as "branded media properties." Newly merged entertainment conglomerates are always looking for threads to sew together their disparate holdings in cross-promotional webs and, for the most part, that thread is the celebrity generated by Hollywood blockbusters. Films create stars to cross-promote in books, magazines and TV, and they also provide prime vehicles for sports, television and music stars to "extend" their own brands.

I'll explore the cultural legacy of this type of synergy-driven production in Chapter 9, but there is a more immediate impact as well, one that has much to do with the phenomenon of disappearing unmarketed cultural "space" with which this section is concerned. With brand managers envisioning themselves as sensitive culture makers, and culture makers adopting the hard-nosed business tactics of brand builders, a dramatic change in mindset has occurred. Whatever desire might exist to protect a television show from too much sponsor interference, an emerging musical genre from crass commercialism or a magazine from overt advertiser control has been trampled by the manic branding imperative: to disseminate one's own brand "meaning" through whatever means necessary, often in partnership with other powerful brands. In this context, the Dawson's Creek brand actively benefits from its exposure in the J. Crew catalogue, the Kelly brand grows stronger from its association with the Absolut brand, the People magazine brand draws cachet from a close association with Tommy Hilfiger, and the Phantom Menace tie-ins with Pizza Hut, Kentucky Fried Chicken and Pepsi are invaluable Star Wars brand promotion. When brand awareness is the goal shared by all, repetition and visibility are the only true measures of success. The journey to this point of full integration between ad and art, brand and culture, has taken most of this century to achieve, but the point of no return, when it arrived, was unmistakable: April 1998, the launch of the Gap Khakis campaign.

The Branding of Music

In 1993, the Gap launched its "Who wore khakis?" ads, featuring old photographs of such counterculture figures as James Dean and Jack Kerouac in beige pants. The campaign was in the cookie-cutter co-optation formula: take a cool artist, associate that mystique with your brand, hope it wears off and makes you cool too. It sparked the usual debates about the mass marketing of rebellion, just as William Burroughs's presence in a Nike ad did at around the same time.

Fast forward to 1998. The Gap launches its breakthrough Khakis Swing ads: a simple, exuberant miniature music video set to "Jump, Jive 'n' Wail" — and a great video at that. The question of whether these ads were "co-opting" the artistic integrity of the music was entirely meaningless. The Gap's commercials didn't capitalize on the retro swing revival — a solid argument can be made that they caused the swing revival. A few months later, when singer-songwriter Rufus Wainwright appeared in a Christmas-themed Gap ad, his sales soared, so much so that his record company began promoting him as "the guy in the Gap ads." Macy Gray, the new R&B "It Girl," also got her big break in a Baby Gap ad. And rather than the Gap Khaki ads looking like rip-offs of MTV videos, it seemed that overnight, every video on MTV —from Brandy to Britney Spears and the Backstreet Boys —looked like a Gap ad; the company has pioneered its own aesthetic, which spilled out into music, other advertisements, even films like The Matrix. After five years of intense lifestyle branding, the Gap, it has become clear, is as much in the culture-creation business as the artists in its ads.

For their part, many artists now treat companies like the Gap less as deep-pocketed pariahs trying to feed off their cachet than as just another medium they can exploit in order to promote their own brands, alongside radio, video and magazines. "We have to be everywhere. We can't afford to be too precious in our marketing," explains Ron Shapiro, executive vice president of Atlantic Records. Besides, a major ad campaign from Nike or the Gap penetrates more nooks and crannies of the culture than a video in heavy rotation on MTV or a cover article in Rolling Stone. Which is why piggybacking on these campaign blitzes-Fat Boy Slim in Nike ads, Brandy in Cover Girl commercials, Lil' Kim rapping for Candies —has become, Business Week announced with much glee, "today's top 40 radio."

Of course the branding of music is not a story of innocence lost. Musicians have been singing ad jingles and signing sponsorship deals since radio's early days, as well as having their songs played on commercial radio stations and signing deals with multinational record companies. Throughout the eighties — music's decade of the straight-up shill — rock stars like Eric Clapton sang in beer ads, and the pop stars, appropriately enough, crooned for pop: George Michael, Robert Plant, Whitney Houston, Run-DMC, Madonna, Robert Palmer, David Bowie, Tina Turner, Lionel Richie and Ray Charles all did Pepsi or Coke ads, while sixties anthems like the Beatles' "Revolution" became background music for Nike commercials.

During this same period, the Rolling Stones made music history by ushering in the era of the sponsored rock tour —and fittingly, sixteen years later; it is still the Stones who are leading the charge into the latest innovation in corporate rock: the band as brand extension. In 1981, Jovan —a distinctly un-rock-and-roll perfume company — sponsored a Rolling Stones stadium tour, the first arrangement of its kind, though tame by today's standards. Though the company got its logos on a few ads and banners, there was a clear distinction between the band that had chosen to "sell out" and the corporation that had paid a huge sum to associate itself with the inherent rebelliousness of rock. This subordinate status might have been fine for a company out merely to move products, but when designer Tommy Hilfiger decided that the energy of rock and rap would become his "brand essence," he was looking for an integrated experience, one more in tune with his own transcendent identity quest. The results were evident in the Stones' Tommy-sponsored Bridges to Babylon tour in 1997. Not only did Hilfiger have a contract to clothe Mick Jagger, he also had the same arrangement with the Stones' opening act, Sheryl Crow — on stage, both modelled items from Tommy's newly launched "Rock V Roll Collection."

It wasn't until January 1999, however —when Hilfiger launched the ad campaign for the Stones' No Security Tour - that full brand-culture integration was achieved. In the ads, young, glowing Tommy models were pictured in full-page frame "watching" a Rolling Stones concert taking place on the opposite page. The photographs of the band members were a quarter of the size of those of the models. In some of the ads, the Stones were nowhere to be found and the Tommy models alone were seen posing with their own

guitars. In all cases, the ads featured a hybrid logo of the Stones' famous red tongue over Tommy's trademarked red-white-and-blue flag. The tagline was "Tommy Hilfiger Presents the Rolling Stones No Security Tour"-though there were no dates or locations for any tour stops, only the addresses of flagship Tommy stores.

In other words, this wasn't rock sponsorship; it was "live-action advertising," as media consultant Michael J. Wolf describes the ads. It's clear from the campaign's design that Hilfiger isn't interested in buying a piece of someone else's act, even if they are the Rolling Stones. The act is a background set, powerfully showcasing the true rock-and-roll essence of the Tommy brand; just one piece of Hilfiger's larger project of cawing out a place in the music world, not as a sponsor but as a player — much as Nike has achieved in the sports world.

The Hilfiger/Stones branding is only the highest-profile example of the new relationship between bands and sponsors that is sweeping the music industry. For instance, it was a short step for Volkswagen — after using cutting-edge electronic music in its ads for the new Beetle — to launch DriversFest '99, a VW branded music festival in Long Island, New York. DriversFest competes for ticket sales with the Mentos Freshmaker Tour, a two-year-old travelling music festival owned and branded by a breath-mint manufacturer — on the Mentos Web site, visitors are invited to vote for which bands they want to play the venue. As with the Absolut Kelly Web site and the Altoids' Curiously Strong art exhibition, these are not sponsored events: the brand is the event's infrastructure; the artists are its filler, a reversal in the power dynamic that makes any discussion of the need to protect unmarketed artistic space appears hopelessly naive.

This emerging dynamic is clearest in the branded festivals being developed by the large beer companies. Instead of merely playing in beer ads, as they likely would have in the eighties, acts like Hole, Soundgarden, David Bowie and the Chemical Brothers now play beer-company gigs. Molson Breweries, which owns 50 percent of Canada's only national concert promoter, Universal Concerts, already has its name promoted almost every time a rock or pop star gets up on stage in Canada — either through its Molson Canadian Rocks promotional arm or its myriad venues: Molson Stage, Molson Park, Molson Amphitheatre. For the first decade or so, this was a fine arrangement, but by the mid-nineties, Molson

was tired of being upstaged. Rock stars had an annoying tendency to hog the spotlight and, worse, sometimes they even insulted their sponsors from the stage.

Clearly fed up, in 1996 Molson held its first Blind Date Concert. The concept, which has since been exported to the U.S. by sister company Miller Beer, is simple: hold a contest in which winners get to attend an exclusive concert staged by Molson and Miller in a small club — much smaller than the venues where one would otherwise see these megastars. And here's the clincher: keep the name of the band secret until it steps on stage. Anticipation mounts about the concert (helped along by national ad campaigns building up said anticipation), but the name on everyone's lips isn't David Bowie, the Rolling Stones, Soundgarden, 1NXS or any of the other bands that have played the Dates, it's Molson and Miller. No one, after all, knows who is going to play, but they know who is putting on the show. With Blind Date, Molson and Miller invented a way to equate their brands with extremely popular musicians, while still maintaining their competitive edge over the stars. "In a funny way," says Universal Concerts' Steve Herman, "the beer is bigger than the band."

The rock stars, turned into high-priced hired guns at Molson's bar mitzvah party, continued to find sad little ways to rebel. Almost every musician who played a Blind Date acted out: Courtney Love told a reporter, "God bless Molson.... I douche with it." The Sex Pistols' Johnny Lydon screamed "Thank you for the money" from the stage, and Soundgarden's Chris Cornell told the crowd, "Yeah, we're here because of some fucking beer company... Labatt's." But the tantrums were all incidental to the main event, in which Molson and Miller were the real rock stars and it didn't really matter how those petulant rent-a-bands behaved.

Jack Rooney, Miller's vice president of marketing, explains that his $200 million promotion budget goes toward devising creative new ways to distinguish the Miller brand from the plethora of other brands in the marketplace. "We're competing not just against Coors and Corona," he says, "but Coke, Nike and Microsoft." Only he isn't telling the whole story. In Advertising Age's annual "Top Marketing 100" list of 1997's best brands there was a new arrival: the Spice Girls (fittingly enough, since Posh Spice did once tell a reporter, "We wanted to be a 'household name'. Like Ajax.") And the Spice Girls ranked number six in

Forbes magazine's inaugural "Celebrity Power 100," in May 1999, a new ranking based not on fame or fortune but on stars' brand "franchise." The list was a watershed moment in corporate history, marking the fact that, as Michael J. Wolf says, "Brands and stars have become the same thing."

But when brands and stars are the same thing, they are also, at times, competitors in the high-stakes tussle for brand awareness, a fact more consumer companies have become ready to admit. Canadian clothing company Club Monaco, for instance, has never used celebrities in its campaigns. "We've thought about it," says vice president Christine Ralphs, "but whenever we go there, it always becomes more about the personality than the brand, and for us, we're just not willing to share that."

There is good reason to be protective: though more and more clothing and candy companies seem intent on turning musicians into their opening acts, bands and their record labels are launching their own challenges to this demoted status. After seeing the enormous profits that the Gap and Tommy Hilfiger have made through their association with the music world, record labels are barrelling into the branding business themselves. Mot only are they placing highly sophisticated cross-branding apparatus behind working musicians, but bands are increasingly being conceived — and test-marketed — as brands first: the Spice Girls, the Backstreet Boys, 1M' Sync, All Saints and so on. Prefab bands aren't new to the music industry, and neither are bands with their own merchandising lines, but the phenomenon has never dominated pop culture as it has at the end of the nineties, and musicians have never before competed so aggressively with consumer brands. Sean "Puffy" Combs has leveraged his celebrity as a rapper and record producer into a magazine, several restaurants, a clothing label and a line of frozen foods. And Raekwon, of the rap group Wu-Tang Clan, explains that "the music, movies, the clothing, it is all part of the pie we're making. In the year 2005 we might have Wu-Tang furniture for sale at Nordstrom." Whether it's the Gap or Wu-Tang Clan, the only remaining relevant question in the sponsorship debate seems to be, where do you have the guts to draw the borders around your brand?

Nike and the Branding of Sports

Inevitably, any discussion about branded celebrity leads to the same place: Michael Jordan, the man who occupies the number-one spot on all of those ranking lists, who has incorporated himself into the JORDAN brand, whose agent coined the term "superbrand" to describe him. But no discussion of Michael Jordan's brand potential can begin without the brand that branded him: Nike. Nike has successfully upstaged sports on a scale that makes the breweries' rock-star aspirations look like amateur night. Now of course pro sports, like big-label music, is in essence a profit-driven enterprise, which is why the Nike story has less to teach us about the loss of unmarketed space — space that, arguably, never even existed in this context —than it does about the mechanics of branding and its powers of eclipse. A company that swallows cultural space in giant gulps, Nike is the definitive story of the transcendent nineties superbrand, and more than any other single company, its actions demonstrate how branding seeks to erase all boundaries between the sponsor and the sponsored. This is a shoe company that is determined to unseat pro sports, the Olympics and even star athletes, to become the very definition of sports itself.

Nike CEO Phil Knight started selling running shoes in the sixties, but he didn't strike it rich until high-tech sneakers became the must-have accessory of America's jogging craze. But when jogging subsided in the mid-eighties and Reebok cornered the market on trendy aerobics shoes, Nike was left with a product destined for the great dustbin of yuppie fads. Rather than simply switching to a different kind of sneaker, Knight decided that running shoes should become peripheral in a reincarnated Nike. Leave sneakers to Reebok and Adidas-Nike would transform itself into what Knight calls "the world's best sports and Fitness Company."

The corporate mythology has it that Nike is a sports and fitness company because it was built by a bunch of jocks who loved sports and were fanatically devoted to the worship of superior athletes. In reality, Nike's project was a little more complicated and can be separated into three guiding principles. First, turn a select group of athletes into Hollywood-style superstars who are associated not with their teams or even, at times, with their sport, but instead with certain pure ideas about athleticism as transcendence and

perseverance — embodiments of the Greco-Roman ideal of the perfect male form. Second, pit Nike's "Pure Sports" and its team of athletic superstars against the rule-obsessed established sporting world. Third, and most important, brand like mad.

Step 1: Create Sport Celebrities

I wake up every morning, jump in the shower, look down at the symbol, and that pumps me up for the day. It's to remind me every day what I have to do, which is, "Just Do It."

-Twenty-four-year-old Internet entrepreneur Carmine Collettion on his decision to get a Nike swoosh tattooed on his navel, December 1997

It was Michael Jordan's extraordinary basketball skill that catapulted Nike to branded heaven, but it was Mike's commercials that made Jordan a global superstar. It's true that gifted athletes like Babe Ruth and Muhammad Ali were celebrities before Mike's time, but they never reached Jordan's otherworldly level of fame. That stratum was reserved for movie and pop stars, which had been transformed by the special effects, art direction and careful cinematography of films and music videos. Sport stars pre-Mike, no matter how talented or worshiped, were still stuck on the ground. Football, hockey and baseball may have been ubiquitous on television, but televised sports were just real-time play-by-plays, which were often tedious, sometimes exciting and high tech only in the slow-mo replay. As for athletes endorsing products, their advertisements and commercials couldn't quite be described as cutting-edge star creation — whether it was Wilt Chamberlain goofily grinning from a box of Wheaties or Rocket Richard being sentenced to "two minutes for looking so good" in Grecian Formula commercials.

I wake up every morning, jump in the shower, look down at the symbol, and that pumps me up for the day. It's to remind me every day what I have to do, which is, "Just Do It." – Twenty four year old Internet entrepreneur Carmine Collecttion on his decision to get a Nike swoosh tattooed on his navel, December 1997.

Mike's 1985 TV spots for Michael Jordan brought sports into the entertainment world: the freeze frame, the close-up and the quick cuts that allowed Jordan to appear to be suspended in mid-jump, providing the stunning illusion that he could actually take flight. The idea of harnessing sport-shoe technology to create a superior being — of Michael Jordan flying through the air in suspended animation — was Mike mythmaking at work. These commercials were the first rock videos about sports and they created something entirely new. As Michael Jordan says, "What Phil [Knight] and Mike have done is turn me into a dream."
Many of Mike's most famous TV commercials have used Nike superstars to convey the idea of sports, as opposed to simply representing the best of the athlete's own team sport. Spots often feature famous athletes playing a game other than the one they play professionally, such as tennis pro Andre Agassi showing off his version of "rock-and-roll golf." And then there was the breakthrough "Bo Knows" campaign, which lifted baseball and football player Bo Jackson out of his two professional sports and presented him instead as the perfect all-around cross-trainer. A series of quick-cut interviews with Mike stars —McEnroe, Jordan, Gretzky — ironically suggested that Jackson knew their sports better than they did. "Bo knows tennis," "Bo knows basketball" and so on.

At the 1998 Winter Olympics in Nagano, Mike took this strategy out of the controlled environment of its TV commercials and applied it to a real sports competition. The experiment started in 1995 when Mike's marketing department dreamed up the idea of turning a couple of Kenyan runners into Africa's first Olympic ski team. As Mark Bossardet, Mike's director of global athletics, explained, "We were sitting around the office one day and we said, 'What if we took Kenyan runners and transferred their skills to cross-country skiing?'" Kenyan runners, who have dominated cross-country track-and-field competitions at the Olympics since 1968, have always represented the "idea of sports" at Mike headquarters. ("Where's the Kenyans running?" Phil Knight has been heard to demand after viewing a Mike ad deemed insufficiently inspiring and heroic. In Mike shorthand it means, "Where's the Spirit of Sports?"). So according to Mike marketing logic, if two Kenyan runners -living specimens of sports incarnate —were plucked out of their own sport and out of their country and their native climate, and dumped on a frozen mountaintop, and if they were then able to transfer their agility, strength and endurance to cross-country skiing, their success would represent a moment of pure sporting

transcendence. It would be a spiritual transformation of Man over nature, birthright, nation and petty sports bureaucrats — brought to the world by Mike, of course. "Mike always felt sports shouldn't have boundaries," the swooshed press release announced. Finally there would be proof.

And if nothing else, Mike would get its name in lots of quirky human-interest sidebar stories—just like the wacky Jamaican bobsled team that hogged the headlines at the 1988 Winter Olympics in Calgary. What sports reporter could resist the heart-warmer of Africa's first ski team?

Mike found its test-tube subjects in two mid-level runners, Philip Boit and Henry Bitok. Since Kenya has no snow, no ski federation and no training facilities, Nike financed the entire extravagant affair, dishing out $250,000 for training in Finland and custom-designed uniforms, and paying the runners a salary to live away from their families. When Nagano rolled around, Bitok didn't qualify and Boit finished last-a full twenty minutes after the gold-medal winner, Bjorn Daehlie of Norway. It turns out that cross-country running and cross-country skiing — despite the similarity of their names — require entirely different sets of skills and use different muscles.

But that was beside the point. Before the race began, Nike held a press conference at its Olympic headquarters, catered the event with Kenyan food and beer and showed reporters a video of the Kenyans encountering snow for the first time, skiing into bushes and falling on their butts. The journalists also heard accounts of how the climate change was so dramatic that the Kenyans' skin cracked and their fingernails and toenails fell off, but "now," as Boit said, "I love snow. Without snow, 1 could not do my sport." As the Tampa Tribune of February 12, 1998, put it, "They're just two kooky Kenyans trying to make it in the frozen tundra."

It was quintessential Nike branding: by equating the company with athletes and athleticism at such a primal level, Nike ceased merely to clothe the game and started to play it. And once Nike was in the game with its athletes, it could have fanatical sports fans instead of customers.

Step 2: Destroy the Competition

Like any competitive sports player, Nike has its work cut out for it: winning. But winning for Nike is about much more than sneaker wars. Of course Nike can't stand Adidas, Fila and Reebok, but more important, Phil Knight has sparred with sports agents, whose individual greed, he claims, puts them "inherently in conflict with the interests of athletes at every turn"; the NBA, which he feels has unfairly piggybacked on Nike's star-creation machinery; and the International Olympic Committee, whose elitism and corruption Knight derided long before the organization's 1999 bribery scandals. In Nike's world, all of the official sports clubs, associations and committees are actually trampling the spirit of sports — a spirit Nike alone truly embodies and appreciates.

So at the same time as Nike's myth machine was fabricating the idea of Team Nike, Nike's corporate team was dreaming up ways to play a more central role in pro sports. First Nike tried to unseat the sports agents by starting an agency of its own, not only to represent athletes in contract negotiation but also to develop integrated marketing strategies for its clients that are sure to complement —not dilute —Nike's own branding strategy, often by pushing its own ad concepts on other companies.

Then there was a failed attempt to create — and own — a college football version of the Super Bowl (the Nike Bowl), and in 1992, Nike did buy the Ben Hogan golf tour and rename it the Nike Tour. "We do these things to be in the sport. We're in sports — that's what we do," Knight told reporters at the time. That is certainly what they did when Nike and rival Adidas made up their own sporting event to settle a grudge match over who could claim the title "fastest man alive" in their ads: Nike's Michael Johnson or Adidas's Donovan Bailey. Because the two compete in different categories (Bailey in the 100-meter, Johnson in the 200), the sneaker brands agreed to split the difference and had the men compete in a made-up 150-meter race. Adidas won.

When Phil Knight faces the inevitable criticism from sports purists that he is having an undue influence on the games he sponsors, his stock response is that "the athlete remains our reason for being." But as the company's encounter with star basketball player Shaquille O'Neal shows, Nike is only devoted to a certain kind of athlete. Company

biographer Donald Katz describes the tense meeting between O'NeaFs manager, Leonard Armato, and Nike's marketing team:

Shaq had observed the explosion of the sports-marketing scene ("He took sports-marketing courses," Armato says) and the rise of Michael Jordan, and he'd decided that rather than becoming a part of several varied corporate marketing strategies, an array of companies might be assembled as part of a brand presence that was he. Consumer products companies would become part of Team Shaq, rather than the other way around. "We're looking for consistency of image," Armato would say as he began collecting the team on Shaq's behalf. "Like Mickey Mouse."

The only problem was that at Nike headquarters, there is no Team Shaq, only Team Nike. Nike took a pass and handed over the player many thought would be the next Michael Jordan to Reebok —not "Nike material," they said. According to Katz, Knight's mission "from the beginning had been to build a pedestal for sports such as the world had never seen." But at Nike Town in Manhattan, the pedestal is not holding up Michael Jordan, or the sport of basketball, but a rotating Nike sneaker. Like a prima Donna, it sits in the spotlight, the first celebrity shoe.

Step 3: Sell Pieces of the Brand As If It Was the Berlin Wall

Nothing embodies the era of the brand like Nike Town, the company's chain of flagship retail outlets. Each one is a shrine, a place set apart for the faithful, a mausoleum. The Manhattan Nike Town on East Fifty-seventh Street is more than a fancy store fitted with the requisite brushed chrome and blond wood, it is a temple, where the swoosh is worshiped as both art and heroic symbol. The swoosh is equated with Sports at every turn: in reverent glass display cases depicting "The definition of an athlete"; in the inspirational quotes about "Courage," "Honour," "Victory" and "Teamwork" inlaid in the floorboards; and in the building's dedication "to all athletes and their dreams."

I asked a salesperson if there was anything amid the thousands of T-shirts, bathing suits, sports bras or socks that did not have a Nike logo on the outside of the garment. He racked his brain. T-shirts, no. Shoes, no. Track suits? No.

"Why?" he finally asked, sounding a bit hurt. "Is somebody allergic to the swoosh?"

Nike, king of the superbrands, is like an inflated Pac-Man, so driven to consume it does so not out of malice but out of jaw-clenching reflex. It is ravenous by nature. It seems fitting that Nike's branding strategy involves an icon that looks like a check mark. Nike is checking off the spaces as it swallows them: superstores? Check. Hockey? Baseball? Soccer? Check. Check. Check. T-shirts? Check. Hats? Check. Underwear? Check. Schools? Bathrooms? Shaved into brush cuts? Check. Check. Check. Since Nike has been the leader in branding clothing, it's not surprising that it has also led the way to the brand's final frontier: the branding of flesh. Not only do dozens of Nike employees have a swoosh tattooed on their calves, but tattoo parlours all over North America report that the swoosh has become their most popular item. Human branding? Check.

The Branded Star

There is another reason behind Nike's stunning success at disseminating its brand. The superstar athletes who form the building blocks of its image — those creatures invented by Nike and cloned by Adidas and Fila — have proved uniquely positioned to soar in the era of synergy: they are made to be cross-promoted. The Spice Girls can make movies, and film stars can walk the runways but neither can quite win an Olympic medal. It's more practical for Dennis Rodman to write two books, star in two movies and have his own television show than it is for Martin Amis or Seinfeld to play defence for the Bulls, just as it is easier for Shaquille O'Neal to put out a rap album than it is for Sporty Spice to make the NBA draft. Only animated characters — another synergy favourite — are more versatile than sports stars in the synergy game.

But for Nike, there is a downside to the power of its own celebrity endorsers. Though Phil Knight will never admit it, Nike is no longer just competing with Reebok, Adidas and the NBA; it has also begun to compete with another brand: its name is Michael Jordan.

In the three years before he retired, Jordan was easing away from his persona as Nike incarnate and turning himself into what his agent, David Falk, calls a "superbrand." He refused to go along when Nike entered the sports-agent business, telling the company that it would have to compensate him for millions of dollars in lost revenue. Instead of letting Nike manage his endorsement portfolio, he tried to build synergy deals between his various sponsors, including a bizarre attempt to persuade Nike to switch phone companies when he became a celebrity spokesperson for WorldCom. Other highlights of what Falk terms "Michael Jordan's Corporate Partnership Program" include a WorldCom commercial in which the actors are decked out in Oakley sunglasses and Wilson sports gear, both Jordan-endorsed products. And, of course, the movie Space Jam — in which the basketball player starred and which Falk executive-produced — was Jordan's coming-out party as his own brand. The movie incorporated plugs for each of Jordan's sponsors (choice dialogue includes "Michael, it's show time. Get your Hanes on, lace up your Nikes, grab your Wheaties and Gatorade and we'll pick up a Big Mac on the way!"), and McDonald's promoted the event with Space Jam toys and Happy Meals.

Mike had been playing up Jordan's business ambitions in its "CEO Jordan" commercials, which show him changing into a suit and racing to his office at halftime. But behind the scenes, the company has always resented Jordan's extra-Mike activities. Donald Katz writes that as early as 1992, "Knight believed that Michael Jordan was no longer, in sports-marketing nomenclature, 'clean.'" Significantly, Mike boycotted the co-branding bonanza that surrounded Space Jam. Unlike McDonald's, it didn't use the movie in tie-in commercials, despite the fact that Space Jam is based on a series of Mike commercials featuring Jordan and Bugs Bunny. When Falk told Advertising Age that "Mike had some reservations about the implementation of the movie," he was exercising considerable restraint. Jim Riswold, the long-time Mike adman who first conceived of pairing Jordan with Bugs Bunny in the shoe commercials, complained to The Wall Street Journal that Space Jam "is a merchandising bonanza first and a movie second. The idea is to sell lots of product." It was a historic moment in the branding of culture, completely inverting the traditionally fraught relationship between art and commerce: a shoe company and an ad agency huffing and puffing that a Hollywood movie would sully the purity of their commercials.

For the time being at least, a peace has descended between the warring superbrands. Mike has given Jordan more leeway to develop his own apparel brand, still within the Nike Empire but with greater independence. In the same week that he retired from basketball, Jordan announced that he would be extending the JORDAN clothing line from basketball gear into lifestyle wear, competing directly with Polo, Hilfiger and Nautica. Settling into his role as CEO — as opposed to celebrity endorser — he signed up other pro athletes to endorse the JORDAN brand: Derek Jeter, a shortstop for the Mew York Yankees and boxer Roy Jones Jr. And, as of May 1999, the full JORDAN brand is showcased in its own "retail concept shops" — two in New York and one in Chicago, with plans for up to fifty outlets by the end of the year 2000. Jordan finally had his wish: to be his own free-standing brand, complete with celebrity endorsers.

The Age of the Brandasaurus

On the surface, the power plays between millionaire athletes and billion-dollar companies would seem to have little to do with the loss of unmarketed space that is the subject of this section. Jordan and Nike, however, are only the most broad strokes, manifestations of the way in which the branding imperative changes the way we imagine both sponsor and sponsored to the extent that the idea of unbranded space — music that is distinct from khakis, festivals that are not extensions of beer brands, athletic achievement that is celebrated in and of itself—becomes almost unthinkable. Jordan and Nike are emblematic of a new paradigm that eliminates all barriers between branding and culture, leaving no room whatsoever for unmarketed space.

An understanding is beginning to emerge that fashion designers, running-shoe companies, media outlets, cartoon characters and celebrities of all kinds are all more or less in the same business: the business of marketing their brands. That's why in the early nineties, Creative Artists Agency, the most powerful celebrity agency in Hollywood, began to represent not just celebrity people, but celebrity brands: Coke, Apple and even an alliance with Nike. That's why Benetton, Microsoft and Starbucks have leapfrogged over the "magalog" trend and have gone full force into the magazine publishing business: Benetton with Colours, Microsoft with the on-line zine Slate and Starbucks with Joe, a joint

venture with Time Inc. That's why teen sensation Britney Spears and sitcom character Ally McBeal each have their own line of designer clothing; why Tommy Hilfiger has helped launch a record label; and rapper Master P has his own sports agency business. It's also why Ralph Lauren has a line of designer household paints, Brooks Brothers has a line of wines, Nike is set to launch a swooshed cruise ship, and auto-parts giant Magna is opening up an amusement park. It is also why market consultant Faith Popcorn has launched her own brand of leather Cocooning armchairs, named after the trend she coined of the same name, and Fashion Licensing of America Inc. is marketing a line of Ernest Hemingway furniture, designed to capture the "brand personality" of the late writer.

As manufacturers and entertainers swap roles and move together toward the creation of branded lifestyle bubbles, Nike executives predict that their "competition in the future [will] be Disney, not Reebok." And it seems only
fitting that just as Nike enters the entertainment business, the entertainment giants have decided to try their hand at the sneaker industry. In October 1997, Warner Brothers launched a low-end basketball shoe, endorsed by Shaquille O'Neal. "It's an extension of what we do at retail," explained Dan Romanelli of Warner Consumer products.

It seems that wherever individual brands began — in shoes, sports, retail, food, music or cartoons — the most successful among them have all landed in the same place: the stratosphere of the superbrand. That is where Mick Jagger struts in Tommy Hilfiger, Steven Spielberg and Coke have the same agent, Shaq wants to be "like Mickey Mouse," and everyone has his or her own branded restaurant — from Jordan to Disney to Demi Moore to Puffy Combs and the supermodels.

It was Michael Ovitz, of course, who came up with the blueprint for the highest temple of branding so far, one that would do for music, sports and fashion what Walt Disney long ago did for kids' cartoons: turn the slick world of television into a real-world branded environment. After leaving Creative Artists Agency in August 1995 and being driven out as president of Disney shortly after, Ovitz took his unprecedented $87 million golden handshake and launched a new venture: entertainment- and sports-themed mega malls, a synthesis of pro sports, Hollywood celebrity and shopping. His vision is of an unholy mixture of Nike Town, Planet Hollywood and the NBA's marketing wing — all leading

straight to the cash register. The first venture, a 1.5-million-square-foot theme mall in Columbus, Ohio, is scheduled to open in the year 2000. If Ovitz gets his way, another mall, planned for the Los Angeles area, will include an NFL football stadium.

As these edifices of the future suggest, corporate sponsors and the culture they brand have fused together to create a third culture: a self-enclosed universe of brand-name people, brand-name products and brand-name media. Interestingly, a 1995 study conducted by University of Missouri professor Roy F. Fox shows that many kids grasp the unique ambiguities of this sphere intuitively. The study found that a majority of Missouri high-school students who watched Channel One's mix of news and ads in their classrooms thought that sports stars paid shoe companies to be in their commercials.

"I don't know why athletes do that —pay all that money for all them ignorant commercials for themselves. Guess it makes everyone like 'em more and like their teams more."

So opined Debbie, a ninth-grader and one of the two hundred students who participated in the study. For Fox, the comment demonstrates a disturbing lack of media literacy, proof positive that kids can't critically evaluate the advertising they see on television. But perhaps these findings show that kids understand something most of us still refuse to grasp. Maybe they know that sponsorship is a far more complicated process than the buyer/ seller dichotomy that existed in previous decades and that to talk of who sold out or bought in has become impossibly anachronistic. In an era in which people are brands and brands are culture, what Nike and Michael Jordan do is more akin to co-branding than straight-up shilling, and while the Spice Girls may be doing Pepsi today, they could easily launch their own Spice Cola tomorrow.

It makes a good deal of sense that high-school kids would have a more realistic grasp of the absurdities of branded life. They, after all, are the ones who grew up sold.