c u l t u r a l
s t r a t e g y
g r o u p

# Cultural Brand Strategy An Overview

Douglas Holt
(chapter I wrote for a marketing handbook)

Cultural brand strategy is—as the term implies—a distinctive approach to strategy, informed by theories of culture, society, and politics. The aim of this approach is to propel branding as a distinctive and value-added framework for managing the "big picture" marketplace challenges that firms face, particularly with respect to innovation. The most influential work in this area has been dominated by faculty in strategy and innovation for several decades now. In marketing, brand strategy has generally focused on the tactical issues of day-to-day stewardship of on-going businesses, and on providing direction for leveraging the equities of ongoing businesses (e.g., line-extension strategies). I will argue that cultural branding adds a crucial strategic perspective for the most important marketplace goals: developing new businesses and resurrecting moribund ones. In this chapter, I first define this gap in the innovation and strategy literature, and then I overview how cultural brand strategy addresses this gap, using Jack Daniel's as a case to demonstrate how the theory works.

## Rethinking Blue Oceans

Theories of innovation in the strategy literature have long been dominated by the worldview of engineers and economists—build a better mousetrap and the world will take notice. This worldview leaves no room for branding. It assumes that the superior value of the product or service "speaks" for itself. And then branding proceeds in the straightforward manner often noted by economists, as the process of accumulating a reputation over time. This functional point of view certainly has merit. But, because it is the only way that academics have approached innovation, the better-mousetraps approach has had the effect of eclipsing a very different innovation worldview—champion a better ideology and the world will take notice as well. This is what I call cultural innovation, the point of departure for cultural brand strategy (Holt and Cameron 2010).

Cultural innovation has been ignored by the strategy and innovation literature, despite its pivotal role in launching and reinvigorating any number of billion-dollar businesses. The list of cultural innovations that have launched or reinvigorated businesses worth billions goes on and on: Marlboro, Coca-Cola, Levi's, Diesel, Dove, Axe/Lynx, American Express, American Apparel, The Body Shop, Target, Virgin, Pepsi-Cola, Polo, Harley-Davidson, Seventh Generation, Method, Burt's Bees, Brita, Whole Foods, Patagonia, Jack Daniel's, Mountain Dew, Absolut, Starbucks, Volkswagen. Just as important, cultural innovation often serves to turbo-charge better-mousetraps innovation: witness Apple, Google, MINI, Red Bull, JetBlue, and Wikipedia.

When these enterprises advanced a more compelling ideology—leapfrogging the staid cultural orthodoxies of their categories—consumers beat a path to their doors. These businesses have been every bit as innovative as the technological and mix-and-match businesses celebrated by innovation experts. But what was radical about them was what the product stands for—its ideology, which, when staged through myth and cultural codes, becomes a distinctive cultural expression.

Cultural brand strategy is an approach to strategy that directs organizations how to build brands with innovative ideologies. I developed this theory with my collaborators over a decade of academic research, conducting detailed comparative-historical analyses of more than thirty important cultural innovations (Holt 2003, 2004, 2006a, 2006b; Holt and Cameron 2010). So this is necessarily an egocentric chapter. In particular, this chapter draws extensively from my book Cultural Strategy: How Innovative Ideologies Build Breakthrough Brands, written with Douglas Cameron. Our framework draws extensively from the socio-cultural theoretical foundations (e.g., Holt 2001; Thompson 2004; Thompson and Arsel 2004) established in the subdiscipline of Consumer Culture Theory (Arnould and Thompson 2005). As space requirements do not allow a discussion of these theoretical linkages, I encourage the interested reader to explore them on his or her own.

## Better Mousetraps Innovation

Crafting "the next big brand"—the innovative idea that resonates powerfully with consumers and takes off to establish a profitable new business—is the holy grail of managers and entrepreneurs alike. Strategy experts have built models to identify and exploit such opportunities for decades. In the early 1990s, Gary Hamel and C. K. Prahalad (1994) offered a pioneering call to arms: to "create the markets of tomorrow," they urged managers to focus on industry foresight and strategic intent. To avoid getting bogged down in an established market's internecine tactical battles, they encouraged managers to stake out new market space—what they famously termed white space—in order to create and dominate emerging opportunities. More than a decade later, W. Chan Kim and Renée Mauborgne (2005) introduced a new metaphor, blue ocean, to dramatize a very similar idea. They characterize existing markets as dog-eat-dog fights to outdo competitors on a conventional set of benefits. Incumbents rely on incremental changes in product and tactical marketing to fight over thin margins.

This is a red ocean. In order to develop future-leading businesses, companies must reject the conventions of the category to craft “value innovations” that have no direct competition—blue oceans. These marching orders have inspired many managers and entrepreneurs. But what kinds of future opportunities should we be looking for? And how does one actually go about spotting these opportunities and designing new concepts that will take advantage of the blue oceans? Innovation experts have offered us two paths.

Technological Innovation.  For most innovation experts, future opportunities mean one thing—the commercialization of new technologies. Technology-driven innovations are the stars of business. From historic innovations such as the light bulb, the telephone, the television, the Model T, and the personal computer to recent stars like the iPod, Amazon.com, Blackberry, Viagra, and Facebook, the commercialization of breakthrough technologies has clearly had a huge impact on business and society. In The Innovator’s Dilemma and subsequent books, Clayton Christensen (2003; Christensen and Raynor 2004) argues that new technologies allow companies to design “disruptive innovations” that transform their categories. Disruptive innovations are products and services that trump the value delivered by existing category offerings because they are cheaper, more useful, more reliable, or more convenient. Disruptive innovations dramatically alter the conventional value proposition of an existing category, often attracting new or underserved customers, or even inventing a new category.

Mix-and-Match Innovation. In recent years, a “mix-and-match” approach to innovation has become influential. In the view of Kim and Mauburgne, blue oceans are untapped opportunities that can be exploited through unique value combinations that had not yet been formulated. In order for companies to offer customers a significantly better value proposition, they must methodically break the rules of their existing category: subtracting and enhancing conventional benefits, as well as importing new ones from other categories.  For instance, in Blue Ocean Strategy’s lead example, the authors describe how Cirque du Soleil created a blue ocean by borrowing from theater and Broadway musicals to reinvent the circus. Andrew Hargadon’s (2003) How Breakthroughs Happen and The Medici Effect by Frans Johansson (2004) both advocate a similar idea—the unexpected mixing and matching of existing features and technologies across different categories, leading to a unique constellation of benefits for the consumer.

Despite the considerable differences between these two models, they rely upon a common notion of what constitutes an innovation. Innovation boils down to providing a step change in the value proposition. Innovations beat out existing competition on the tangible benefits that count in the category: medical instruments that save more lives, cars that run longer with higher miles per gallon and less carbon emissions, cell phones that have more applications, hard drives that hold more data and are cheaper and smaller and more reliable. In other words, these two better-mousetraps innovation models are based upon the world view of the economist and the engineer—a world in which it is only the material properties of what we buy that is important. Blue oceans exist where there is latent demand for products and services with truly novel whiz-bang features.

## Cultural Innovation

Curiously, this is not how consumers see it. Consumers—the ultimate arbiters of market innovation efforts—often find offerings to be innovative even though they seem quite pedestrian from a product-design standpoint. It turns out that blockbuster new businesses do not necessarily require radically new features that fundamentally alter the value proposition.

Consider beer. From a better-mousetraps perspective, the American beer market has long been a mature category—a notoriously red ocean that resists innovation. Many product innovation efforts have been tried, and the vast majority have failed despite their seeming combinatorial creativity. Brewers have tried to follow blue-ocean strategy for many years. Combining concepts across categories, they have launched beer + energy drinks (Sparks, Be), beer + tequila (Tequiza), beer + soft drinks (Zima), and so on. All of these supposed innovations were failures in the mass market.

Now let us look at the beer category from an ideological viewpoint. While the product—the beer itself—has seen only minor changes over the past thirty years, the category has been very dynamic in terms of the cultural expressions that consumers value. Incumbents have been pushed aside by new entrants with better ideology. In the popular price tier, Budweiser took off in the 1980s with branding that showcased men working cheerfully and industriously in artisanal trades, men whom Budweiser beer saluted with a baritone-voiced announcer proclaiming “This Bud’s for you!” The results were startling. The beer brand quickly became the go-to choice for working-class American men. By the middle of the decade, Budweiser was unchallenged as the most desirable beer in the country.

By the early 1990s Bud’s ideology had lost resonance and the business sank, to be replaced by its stable mate. Bud Light took off in the 1990s to become by far the dominant American beer brand, speeding by the brand that had pioneered light beer as a product innovation, Miller Lite. Bud Light tastes little different from Miller Lite. Rather what was different was a decade’s worth of silly Peter Pan stories of men who engage in all sorts of juvenile high jinks, which conjured up a new kind of rebellious masculinity for adult men.

At the same time, Corona became the leading import brand, rocketing ahead of the long dominant Heineken, by offering a new way of thinking about how to relax with a beer—escaping the American white-collar sweatshop to do absolutely nothing on a Mexican beach. These beers were me-too product offerings, not original at all as mousetraps. But, as brands, they offered very innovative cultural expressions that resonated perfectly with the ideological needs of their target.

Or consider soft drinks—a category that would seem to be one of the most masochistic red oceans around. The two leading soft-drinks marketers in the world, PepsiCo and The Coca-Cola Company, have invested hundreds of millions to innovate their way out of this mature category. Both companies have aggressively pursued mix-and-match concepts to create new value propositions. The Coca-Cola Company has placed big bets on Coke Blak (coca-cola + coffee) and Enviga (a “calorie-burning” green tea). Both of these ambitious efforts—

supposedly targeting distinctive consumer “need states”—have failed to break through.

Likewise, many drinks entrepreneurs have tried their hand at mix-and-match strategies, and also with little evidence of success. A basic problem with undertaking blue-ocean-styled product innovation in mature categories is that it forces the innovator to pursue ever smaller niches—aimed at ever narrower “need states”—to carve out a truly new offering. For example, recently some British entrepreneurs got their food engineers to concoct Alibi—billed as “the world’s first pretox drink”—to serve a very focused niche of young partiers who might be interested in downing a prophylactic drink to prepare them for a weekend binge. A blue puddle does not an ocean make.

While the food scientists were struggling to make oddball mix-and-match drinks combinations, cultural entrepreneurs were playing an entirely different game. They pursued radical innovations in culture, not product. Consider, Innocent Drinks in the United Kingdom. The market for alternative natural fruit smoothies had long been established in the USA, pioneered by Odwalla (est. 1980) and Fresh Samantha (est. 1992). The big UK grocers such as Marks & Spencer, Sainsbury’s, and Tesco imported the concept and developed their own versions. Innocent grabbed hold of this well-established mousetrap and added a heavy dose of leading-edge ideology that was beginning to resonate widely amongst British middle-class consumers. Innocent asserted through its package design—featuring a childlike anthropomorphized apple sporting a halo, and a stripped-down transparent listing of ingredients such as “ingredients = 3 apples + 1 banana + 16 raspberries + 43 blueberries”—that their smoothies were the antithesis of the scientific-industrial foods that big corporations marketed. Innocent easily won over consumers worried about health issues by making a cultural assertion—championing the pre-industrial purity of “only fruit” against drinks full of preservatives and synthetic ingredients. Further, Innocent turned the personal act of drinking a smoothie into a broad environmental statement through a diverse range of provocative guerilla communications efforts all of which suggested that Innocent was an anti-corporate green company wishing to transform the drinks marketplace toward sustainability. The Coca-Cola Company, which had paid $180 million to buy out the ideologically innovative Odwalla in 2001, followed suit by paying $50 million for about 15 percent of Innocent in 2009—a $333 million valuation. Failing at its better-mousetraps innovation strategy, the company has had no choice but to acquire ideologically innovative brands at very steep prices.

## Principles of Cultural Brand Strategy

To understand how cultural brand strategy can drive innovation, one must conceptualize key strategy constructs in a new way: markets, competition, opportunities, and innovation itself get turned upside down. A cultural innovation is a brand that delivers an innovative cultural expression. Some of the most powerful and valued brands in the world have become so by offering an innovative cultural expression. So, to develop a strategic model for cultural innovation, one needs first to conceptualize the central role of cultural expressions in creating customer value. And then one needs to understand how particular cultural expressions target a new kind of blue ocean—what we call ideological opportunities—to leapfrog competitors pursuing more conventional product-innovation and marketing strategies.  The Figure provides a visual depiction of the resulting conceptual framework. I will use the spectacular rise of Jack Daniel's Tennessee Whiskey from a tiny regional distillery to one of the top 100 most valuable brands in the world as an example.

## Cultural Expressions and Innovation

Throughout history, people have valued the "right" cultural expressions because they play such an important role in organizing their lives within societies. Cultural expressions serve as compass points, organizing how we understand the world and our place in it, what is meaningful, what is moral, what is human, what is inhuman, what we should strive for, and what we should despise. And cultural expressions serve as linchpins of identity: they are the foundational materials for belonging, recognition, and status. Cultural expressions permeate society, providing us with the building blocks with which we construct meaningful lives. They give guidance on all of the key social, political, and existential constructs: from the nation, social class, gender, race, sexuality, and ethnicity, to constructs like beauty, health, religion, nature, compassion, generosity, ethics, the body, work, competition, the market, and success.

In modern society, traditional sources of cultural expression—religion, the state, the arts, education, and other social institutions—have been superseded in large measure by the mass media and commerce. Since the beginning of the twentieth century, companies in the West have competed to monetize this rich source of economic value. And brands have become the prime commercial vehicles for marketing cultural expression.  Hence, markets for cultural expression are, by definition, much broader than typical product markets.  Rather than view brands as located within market "spaces," instead we need to understand that all brands are embedded in these broader cultural marketplaces. Fortunately for strategists, only a small subset of these constructs will be "in play" for any given brand. Brands can only engage topics that are credible from the consumers' viewpoint, which usually depends on how the product, benefits, uses, and its consumers are represented in the mass media.

## Cultural Expressions Consist of Ideology, Myth, and Cultural Codes

Cultural expressions consist of an ideology, which is "brought to life" with the right myth and cultural codes, so we need to examine how innovation works across these three core components.  Consider Jack Daniel's Tennessee Whiskey. Whiskeys have both long competed to champion the best cultural expression of one particularly important construct—masculinity.  Jack Daniel's offered an innovative cultural expression of masculinity, by which I mean that the brand significantly surpassed its competitors in terms of ideology, myth, and cultural codes.

Ideology. An ideology is a point of view on one of these important cultural constructs, which has become widely shared and taken for granted, naturalized by a segment of society as a "truth." Ideologies profoundly shape our everyday evaluations and actions. We all hold dear many ideologies, which allow us to function consistently, coherently, and effectively in our social lives. Ideologies also serve as the foundation of consumer markets. Strong brands sustain ideologies—a particular point of view on a cultural construct that is central to the product. Jack Daniel's advocated the revival of frontier masculinity, a particular point of view that incited American men to embrace the country's historic tough plain-spoken self-reliant masculinity before it became overrun with soft, sedentary organization men. Yet, ideologies are concepts, not expressions; and an ideology can be expressed in any number of ways. Consumers experience ideology through layers of cultural expression, not as a declarative intellectual proposition. So ideologies enter culture when they are conveyed via myth and cultural codes.

Myth. Myths are instructive stories that impart ideology. In American commerce during the 1950s and 1960s, the revitalization of the country's historic rugged individualist masculinity was dramatized using two different myths, each of which spun off major cultural innovations. Jack Daniel's proffered a myth, which was drawn from America's hillbilly subculture, romanticizing a small distillery in the Tennessee backwoods that had survived untouched by industrialization and the post-war ideology of the organization man. Jack Daniel's men, proudly and stubbornly, continued to uphold time-honored, frontier ideals of masculinity with their whiskey making. Marlboro finally struck gold when it hit upon the ranch subculture of the America West to convey a myth about hard-working cowboys herding their cattle with determination and skill on the desolate, weather-threatening range. In each case, the ideology became comprehensible, viscerally felt, and resonant only because it was embedded in myth; it would have made little sense as a conceptual statement.

Cultural Codes. For a myth to resonate with consumers, it must be composed using the most appropriate and compelling cultural content—what cultural theorists often call cultural codes. All mass-cultural expressions—whether a film or a retail store design or packaging graphics—rely on elements for which the meaning has been well-established historically in the culture. It would be impossible to compose an expression from scratch, because, with no historic conventions to fall back upon, each and every element in the composition would have to be defined for the audience in a way that would allow them to interpret it properly. Cultural codes provide a short-hand for the consumer, allowing them easily to understand and experience the intended meanings. (What usually differentiates more "artistic" and avant-garde expressions is that they ignore, challenge, play with, or purposely mangle cultural codes.)

The most apt ideology embedded in a potentially powerful myth will backfire if it is composed with culturally illiterate, clunky, off-strategy codes. An adroit and precise use of codes is essential. To signify a preference for old-world craft over modern machines, Jack Daniel's advertising romanticized the process of assembling the staves of the oak barrels and charcoaling their insides. To signify the old-time frontiersman, the antithesis of the organization man, the advertising showcased hefty, rural, Southern men in old-fashioned denim overalls. To signify the celebration of active outdoor labor over sedentary office work, the advertising showed men burning huge ricks of maple for the charcoal filtering. To celebrate the “tell-it-like-it-is” plain-speaker over the glib city-slicker, the advertising used folksy, parochial, phrases like “welcome to the holler.” All of these codes worked together in a redundant manner to create the intended meaning.

Cultural competition spans across all three elements of cultural expression. Since cultural expression is such a potent driver of customer value, it should be no surprise that innovating in cultural expression is a powerful tool for building new businesses and reviving failing ones. Cultural innovations break through when they bear the right ideology, which is dramatized through the right myth, expressed with the right cultural codes. As we continue to build the cultural brand strategy model, let us consider how Jack Daniel’s cultural expression broke through in the 1950s.

## Avoiding Red Oceans: Breaking out of the Cultural Orthodoxy

In the better mousetraps paradigm, competitive red oceans are understood as spaces where there is a great deal of overlapping functionality across current offerings and, therefore, little opportunity to innovate. Innovators need to look for blue oceans (or white spaces) that provide significantly improved value propositions for a brand, whether they are created by new technology or by mixing-and-matching value propositions across categories.

Few businesses—whatever the physical product or service they sell—understand that their offering is understood, experienced, and valued by consumers as a cultural expression. Few businesses, therefore, are managing their cultural expressions. As a result, incumbents in a category tend to arrive at a conventional idea of what is good cultural expression and then copy one another. This is a common phenomenon in business and other types of institutions, well documented by neo-institutional organization theorists who call it mimesis (DiMaggio and Powell 1983). While businesses compete to outdo each other in providing different benefits, at the cultural level they imitate each other, developing their marketing initiatives as minor variations of the same ideology, myth, and cultural codes. As certain cultural expressions become dominant, businesses come to treat these conventions as durable taken-for-granted “facts” of the marketplace.

This is exactly what happened in the 1950s whiskey market. The major whiskey-makers all assumed that middle-class American men desired that their whiskeys express the “classy” modern lifestyle of the well-to-do organization man. Competition between whiskey brands was largely based upon which brand could represent the organization man’s lifestyle in a more interesting and credible way. I call these taken-for-granted cultural expressions that are widely imitated the category’s cultural orthodoxy.

The fact that incumbents tend to market their wares using the same well-worn cultural expressions creates a great opportunity for agile cultural entrepreneurs. Categories that are red oceans from a better-mousetraps perspective are often blue oceans from a cultural perspective precisely because the most powerful competitors are focused on fierce product-level competition, ignoring the cultural aspects of their businesses.

## Social Disruptions Create Ideological Opportunities

Cultural blue oceans are fundamentally different. The engine of cultural innovation is historical change in society that is significant enough to destabilize the category's cultural orthodoxy, creating latent demand for new cultural expressions. Markets often sustain these orthodoxies for years at a time, occasionally a decade or longer. But at some point, as history unfolds and social structures shift, one or more of these shifts will be disruptive, challenging the taken-for-granted cultural expressions offered by category incumbents, and creating emergent demand for new cultural expressions. These are moments when once-dominant brands lose their resonance and new historical conditions arise, creating opportunities for innovative brands to take off.

These social disruptions create ideological opportunities. The category's cultural orthodoxy no longer adequately delivers the cultural expressions that consumers demand. Consumers yearn for brands that champion new ideology, brought to life by new myth and cultural codes. For Jack Daniel's, the organization-man myth propagated by the mass media and political elites rubbed against the country's historically-dominant myth of the gunfighter on the frontier. The success of the organization man created a backlash: a widely shared belief that the organization man was too wimpy and effeminate to serve as a model for American men, especially in the midst of the cold war, and a yearning to resuscitate what the gunfighter stood for. In our terms, a massive ideological opportunity was created. Yet, because the major whiskey brands were locked into the category's cultural orthodoxy, they could not imagine giving up their "modern" "aspirational" positioning to return to whiskey's rough-and-tumble rural heritage.

This way of thinking about blue oceans is radically different from the better-mousetrap models. According to technological and mix-and-match models, opportunities are always out there in the world, lying dormant, until the right new technology or creative mix-and-match offering comes along. People always want better functionality. Ideological opportunities, in contrast, are produced by major historical changes that shake up cultural conventions of the category. These shifts unmoor consumers from the goods that they have relied on to produce the symbolism they demand and drive them to seek out new alternatives. It is an emergent kind of opportunity that is specific to a historical moment and a particular group of people.

Ideological opportunities provide one of the most fertile grounds for market innovation. Yet, these opportunities have gone unrecognized because of the extraordinary influence of economics and engineering on how managers view innovation. These disciplines, share a common assumption—in order to simplify the world, they purposely ignore cultural context and historical change. These theories remove all of the messy bits of human life in order to present a tidy view of consumption that allows for corporations to function in a streamlined fashion. But it is in these untidy parts that innovation opportunities lurk.

## Cultural Innovations Repurpose Source Material

Cultural innovations adapt and repurpose what we call source material in order to take advantage of the ideological opportunity. This source material comes in three types: subcultures, media myths, and brand assets.

Subcultures. Innovations adapt alternative ideologies, myths, and cultural codes that are lurking in subcultures and social movements (which we shall refer to jointly as subcultures to simplify). For our purposes, subcultures are groups or places that cohere around an ideology that is antithetic to the category's cultural orthodoxy. Social movements are the same, except that they have an explicit agenda to change society, and so often seek to challenge dominant ideologies directly. The organic foods, slow food, and fair-trade movements are all good examples. Subcultures provide great credibility as foundations for brand expressions because they "prove" that the ideology actually exists in the world as a viable worldview that has value for its participants.

Media Myths. Often, the mass media are quicker than other forms of commerce to borrow from subcultures in order to promulgate new cultural expressions. Media myths come packaged in all types of popular culture products: in films, television programs, music, books, magazines, newspapers, sports, politics, even in the news. In addition to the direct appropriation of subcultures, cultural innovations often draw inspiration from the media's mythic treatments of these subcultures.

Brand Assets. Businesses usually have cultural assets that can be leveraged as well. These assets include both the company's business practices that have significant cultural potential, as well as the brand's historic cultural expressions that people still remember. One of the central objectives of How Brands Become Icons was to document these equities and to show how they are reworked as the brand evolves historically.

The Jack Daniel's innovation was sourced from the rural hillbilly subculture: denigrated in American culture at the time as backwards, parochial, unmannered, and lower class, the antithesis of the organization man. That the Jack Daniel's distillery had been located in the heart of hillbilly country in Lynchburg, Tennessee, since the region was part of the country's frontier, and that distilling whiskey had remained since the frontier days a backwoods hobby in this subculture, made Jack Daniel's a particularly credible brand to champion this ideology. The mass media performed the inversion of the myth of the hillbilly whiskey-maker—from backwoods bumpkin to recalcitrant frontiersman. The fact that the brand had a storied existence amongst insiders as a tiny regional distillery cranking out the same quality whiskey year in and year out gave tremendous credibility to the brand's anachronistic ideology. The subculture, media myth, and brand assets were all crucial sources for the Jack Daniel's innovation. Without these components, the innovation would have never occurred.

Consider other extraordinary cultural innovations, all of which advocated frontier masculinity: cigarettes (Marlboro), whiskey (Jack Daniel's), motorcycles (Harley-Davidson), jeans (Levi's, Lee), and SUVs (Jeep). The historic uses of these products within a particular subculture—frontiersmen drank whiskey, wore denim, and liked to smoke; soldiers, the modern frontiersmen, drove Harleys and Jeeps in the Second World War, and liked to smoke and drink whiskey as well—gave these brands their credibility. And then the mass media turned these subcultural ideologies into myth—the rebel films with Marlon Brand and James Dean, and the Western films and television programs—providing valuable fodder for brands to repurpose.

## Designing the Cultural Innovation

The final stage of cultural brand strategy involves designing a concept that responds to the ideological opportunity in a compelling and original manner, drawing upon appropriate source materials. Executing the design requires that each important consumer-facing element of the brand convey the cultural expression in an original and artful manner. This transformation of source material into design is the “creative” aspect of cultural innovation, but it is a creative act that is far more directed and constrained than typical “out-of–the-box” tabula-rasa creative projects typical in marketing today. Once the prospective innovator has understood the right ideology, myth, and cultural codes, instilling these elements into the offering across the marketing mix is usually a straightforward task that is much more susceptible to constructive management than typical creative assignments.

Brands that deliver innovative cultural expressions become powerful cultural symbols—what I call iconic brands. What makes these brands so powerful is that they become collectively valued in society as a widely shared symbol of a particular ideology for a segment of the population. People use the brand in their everyday lives to experience and express this ideology. The brand’s cultural role in social life becomes conventional, and so is continually reinforced. Cultural innovations generate three kinds of value, all interrelated:

- Symbolic value. Cultural expressions sort out the most important aspects of human life and provide concrete direction and motivation, acting as symbolic anchors for questions of identity, purpose, aspiration, and value. Consumers of branded cultural expressions are able viscerally to experience these desirable ideas and values in everyday life (what anthropologists call ritual action).
- Social value. Cultural expressions stake out social identities, often based upon key social categories such as social class, gender, race, and ethnicity. They can buttress important political identities as well—for instance, ideals concerning environmentalism, nationalism, and social justice. These social and political identities are used to convey status—demonstrating one’s superiority to others, and building solidarity and community with others.
- Functional Halo. When people find symbolic and social value in a brand’s cultural expression, they tend to perceive that the brand provides better functionality, is higher quality, and is more trustworthy. Foods and drinks taste better. Companies are trusted. Services are performed with more consistency. Durable goods are more reliable. When consumers resonate with a brand’s cultural expression, they want to believe the branded products and services are excellent, and so the expression strongly influences their perceptions of seemingly functional qualities. Functional

benefits are social constructs, not objective facts as assumed by economists and engineers.

References

Arnold, Eric J. and Craig J. Thompson (2005), Consumer Culture Theory (CCT): Twenty Years of Research, Journal of Consumer Research, 31(4), 868-882

Christensen, Clayton M. (2003), The Innovator's Dilemma, New York: Collins Business.

__________ and Michael E. Raynor (2004), The Innovator's Solution: Creating and Sustaining Successful Growth, Boston: Harvard Business School Press.

DiMaggio, Paul and Walter W Powell (1983) "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields," American Sociological Review, 48 (April), 147-160.

Hamel, Gary and C. K. Prahalad, Competing for the Future, (Boston: Harvard Business School Press, 1994).

Hargadon, Andrew (2003), How Breakthroughs Happen: The Surprising Truth about How Companies Innovate, Boston: Harvard Business School Press.

Holt, Douglas B. (2003), "What Becomes an Icon Most?," Harvard Business Review, 81(3), 43-49.

__________ (2004), How Brands Become Icons: The Principles of Cultural Branding, Boston: Harvard Business School Press.

__________ (2006a), Jack Daniel's America: Iconic Brands as Ideological Parasites and Proselytizers, Journal of Consumer Culture, 6(3), 355-377.

__________ (2006b), "How Societies Desire Brands: Using Cultural Theory to Explain Brand Symbolism," in Inside Consumption, eds. Mick and Ratneshwar, Routledge.

__________ and Douglas Cameron (2010), Cultural Strategy: How Innovative Ideologies Build Breakthrough Brands, New York: Oxford University Press.

Kim, W. Chan and Renee Mauborgne, (2005) Blue Ocean Strategy, Boston: Harvard Business School Press, 4–5.

Frans Johansson (2004), The Medici Effect: What Elephants and Epidemics Can Teach Us about Innovation, Boston: Harvard Business School Press.

Thompson, Craig J. (2004), Marketplace Mythology and Discourses of Power, Journal of Consumer Research, 31(1), 162-180.

__________ and Zeynep Arsel (2004), “The Starbucks Brandscape and Consumer’s (Anticorporate) Experiences of Glocalization,” Journal of Consumer Research, 31 (Dec).