

Ueber-Branding: How modern prestige brands create meaning through mission and myth — Part 1

Received: 26th June, 2016



Jp Kuehlwein



Wolf Schaefer

JP KUEHLWEIN

is a recognised strategy expert, global brand builder and accomplished business leader. He is Co-Founder and Partner at Ueber-Brands Consulting and previously, served as Executive Vice President of Frédéric Fekkai, a New York prestige hair care company and as Director of Global Strategy & Innovation at Procter & Gamble where he was in charge of the multinational's premium brand capability, and business development. A graduate of the Ecole Supérieure de Commerce, Reims, Reutlingen University (Germany) and Lancaster University (UK), JP is regularly involved in academic and public speaking. He is a member of the Advisory Board at the Fashion Institute of Technology (FIT, New York) and a member of the CMO Council. He has co-authored the bestselling book "Rethinking Prestige Branding — Secrets of the Ueber-Brands" together with Wolfgang Schaefer (Kogan Page, 2015).

WOLF SCHAEFER

is co-author of the book "Rethinking Prestige Branding — Secrets of the Ueber-Brands". He is Chief Strategic Officer at Select World, one of the world's leading premium brand building networks. Wolf has been building global brand strategies for over 20 years in Europe, the US and Asia Pacific for companies as diverse as PepsiCo, P&G, Unilever, Coty and Nestle. His main expertise lies in prestige brands such as Davidoff, Chopard, Swarovski and Lancaster among many others. Holding an MA from the University of the Arts Berlin, Wolf is co-located between NYC and Berlin and a frequent lecturer at universities and conferences in the US as well as Europe.

Abstract

In this two-part series, we examine how some companies succeed in making us willing to pay a significant premium over the average offering in the category. These modern prestige brands — we call them Ueber-Brands — go beyond traditional luxury marketing strategies like exclusivity, provenance or precious materials to climb in our esteem and make us want them. They redefine their category and set new standards or even embrace and live ideals we aspire to and create meaning beyond the material. In Part 2, we will talk about how they wrap their ideas in mythical storytelling to seduce us, rather than needing to sell.

Keywords

premium brands, prestige brands, luxury, mission, myth, brand meaning, Ueber-Brands, Patagonia, TOMS, reinvention, CSR, Ben & Jerry's, Red Bull, purpose

A NEW KIND OF PRESTIGE

What makes consumers spend a small fortune on a handbag? A classic question on traditional luxury marketing. What makes us seemingly forget about price when we buy certain phones, shampoos or even a simple loaf of bread or bottle of water, although? Particularly when much more affordable and 'functionally equivalent'

options are very readily available? We have been intrigued by these questions and studied what drives the success of modern Prestige over the past couple of years through uncounted interviews with brand owners and operators and in-depth case reviews done across categories as well as their first-hand experience in helping such brands grow (or see them

struggle). What we found was a big shift in how the need for — and expression of — prestige through brands manifests itself (Rethinking Prestige Branding — Secrets of the Ueberbrands).¹ Old rules are still present, but new ones are emerging. Classic categorisations like ‘luxury’, ‘premium’ or ‘mass’ are in flux with new ones like ‘affordable luxury’, ‘masstige’ or

‘super-premium’ coming and going. Most importantly, the marketing is evolving, with new mantras, mechanisms and a new language. Of course, most of these changes are an evolution, yet many are a revelation.

Brands in everyday categories are appropriating strategies that traditionally pertained to luxury labels only, and established luxury houses start acting in

Box 1: Why The Term Ueber-Brands?

Why call this new breed of premium brands ‘Ueber-Brands’? It was the German philosopher Friedrich Nietzsche who coined the term ‘Ueber-Mensch’ (loosely translated as superman) in his 1873 masterpiece *Also Sprach Zarathustra*. The term describes someone (the German ‘mensch’ is appropriately gender-neutral) who is willing to take risks to try and advance humanity beyond personal benefit and comfort. He or she establishes new values that influence the lives of others, inspiring and guiding them to a higher level — self-determined instead of being driven by external authority or sheer opportunity.

And that is exactly what strong brands do today, especially modern prestige ones. They have increasing social and cultural significance. They are no longer just beacons of status or building blocks of our identities; they are morphing into mythical fixtures and leaders, sometimes creating movements not unlike religions or political parties. They have created and become narrative constructs that inspire our public discourse, provide meaning to rally around or to reject — influencing and often guiding our lives, not just materially or functionally but emotionally, ethically and even spiritually.

Apple is the Ueber-example, having built a cult not only around their superior design and innovative products, but ultimately their mission of making technology for ‘the creative class’. And they have enshrined this mission into a myth, starting with the iconic commercial ‘1984’, officially aired once during Super Bowl XX and establishing Apple as the David against the then Goliath IBM. A hammer-swinging youngster runs into a hall filled with brainwashed lemmings enraptured by Big Brother talking down on them, shattering the gigantic screen and crushing the whole aura and power of the establishment at the same time. This very instant, a countercultural icon was born. And although Apple has now become the establishment itself and most customers today do not even know about that commercial any more, the spirit of the brand still lives, beguiling and guiding us to ‘Think Different’ and reinventing the way we shop electronics, listen to music or use watches on the way. They stayed true to their archetypal character, and that is why we have stayed true to them, enjoying the benefits of a well-catered lifestyle while still feeling a bit like the creative rebels we once were or always wanted to be. It is this attitudinal promise that made Apple the ultimate Ueber-Brand and us loyal, happily paying more for products that are not always ‘technically superior’. They continue to inspire and guide us — at least for now — even though their whole point is that we should live unguided and self-inspired.

less expected ways, venturing into previous no-go areas with gusto — like social media. All this makes for a rather motley crew ranging from long-established and rarefied Hermès to popular behemoth Red Bull, from small but high-minded Aesop via activist Patagonia to rather fun and funky MINI. But they are united in living and breathing a modern kind of prestige, which is why we coined the term *Ueber-Brands*. They set themselves above their peers by moving beyond and ahead (which is exactly what the German ‘ueber’ means) and take our hearts and minds and their markets on a journey into the future.

Ueber-Brands project prestige less through high prices and celebrating themselves than by evoking pride and aspiration with ideals and ideas wrapped in mythical storytelling. They build exclusivity less through restraint and scarcity, but by mixing these with a dose of inclusivity, sometimes even allowing for ubiquity, astutely balancing exclusion with connection. And thirdly, they focus less on traditional forms of communication and projections of glamorous lifestyles, but rather inspire our dreams by truly living their brand-specific convictions and radiating them inside out, not afraid to polarise opinion or confront uncomfortable realities.

Ueber-Brands still are big storytellers, probably more than ever, but today these are more stories of truths enhanced rather than realities faked. At the centre there is a big idea, often even ideal, a combination of daring vision, self-determination, a socio-ecological perspective. And it is this mission that is then elevated, giving their storytelling mythical proportions, and activated to engage followers and create missionaries. Today’s Ueber-Brands know their story (not only their history) they write, and they make sure to take stakeholders — from employees via investors

to trade partners and consumers — with them on their journey.

In this first Part I of our excursion into Ueber-Branding we will focus on the importance of mission in giving these brands meaning. Part II will talk about the role of myth-making in making the mission even more compelling and the brands priceless in our minds.

MISSION INCOMPARABLE — THE FIRST RULE IS TO MAKE YOUR OWN

At the beginning there is an idea — or better yet an ideal. Something that itches, a challenge that ignites you to take action and undertake a change. The first principle of greatness is to think and dream big and move beyond to what should be. Have a vision and be crazy enough to pursue it. This holds true for outstanding enterprises in life, and brands are no exception. Of course, there are many successful brands whose only goal is to be profitable or who simply follow in someone else’s footsteps. But would they be the ones we cherish most, talk about, consider priceless — the ones we would like to call Ueber-Brands? Most likely not, which is why the first principle of modern prestige is all about a brand’s mission; ideally, one that is incomparable and idiosyncratic if not iconoclastic.

This makes a lot of sense if you think about the role that Ueber-Brands play in our lives. They need to be — and make us feel — more than we are without them, and in order to achieve this, they must be ahead of us. Only then are they in a position to create desire. Only if they have a clear sense of self and strong convictions can they offer us something that we can identify with or better yet use as building blocks in crafting and reconfirming our own identities. *Ueber-Brands can only fulfil their mission if they have a mission.*

Why mission matters — Now more than ever

This is the age of transparency. One of the most distinctive aspects of the digital revolution has been everybody gaining access to everyone and everything all the time. This new connectivity has played out politically in all kinds of civic engagements and uprisings from the Middle East to the ‘Occupy’ movement to local grass-roots protests against gentrification or a new airport. In the commercial context this means that corporate responsibility or the lack thereof has become a significant Influencer in consumer behaviour.

The Cone Communications/Echo Global Corporate Social Responsibility Study, one of the biggest of its kind with 10,000 respondents in the ten largest global economies, concluded in 2013 that ‘consumers across the globe resoundingly affirm CSR as a critical business strategy’, with two-thirds of consumers saying they use social media ‘to address or engage with companies around CSR’.² *Many consumers — particularly those who can afford to care and pay premium prices — want more than a nice shoe or an aromatic coffee. They want to be sure that no child labour was involved or that the environment was not unduly harmed.* Or at least they do not want to know the opposite to be true. Companies and brands are pressured today to adhere to ethical, environmental and social standards just like any other public person or entity.

Two routes to mission incomparable

There are two main routes for Ueber-Brands to get to this ‘Mission Incomparable’. The first route is the one we think of as ‘the holy grail of missions’ and is often called ‘Purpose’: a socio-eco-political goal at the heart of the brand’s existence. A good example of this is Ben & Jerry’s, the ice cream brand whose originating reason



Figure 1 Ben & Jerry’s speaking its mind. Courtesy of Ben & Jerry’s.

for being was ‘to see if it was possible to use the tools of business to repair society’ (see Figure 1).³ An even more determined one is Patagonia, the outdoor brand and one of the boldest and earliest crusaders in protecting our environment as we explore it. We will review it in detail in the case study at the end.

The second route is arguably a less radical one, but does not need to be less successful. We call it ‘Reinvention’. Here, redefining a category and setting new standards is at the centre, taking the brand and its followers to a higher level. Lakrids is a small but fast-growing Danish premium brand by a Johan Buelow who ‘. . . dreamt of elevating liquorice to the level of a gourmet experience . . . to share the magical qualities of the mighty liquorice root . . .’ as his website tells us (see Figure 2). Red Bull has already converted millions to reach for a can of sticky red soda when they need ‘wings’, creating a new category — energy drinks — and a billion-dollar global business on the way up.

No matter which route you follow, the cardinal rule is to be daring and stand out. Do not just feed a ‘consumer need’, but listen to your heart and show guts, because despite popular opinion, most premium brands did not get to where they are



Figure 2 Some Founders seeking to take their brands 'ueber'. Clockwise from top left: Johan Buelow (Lakrids), Lindsey Boyd and Gwen Whiteing (The Laundress), Benoit Ams (Smith & Norbu), Maria Sebergondi (Moleskine), Adam Lowry and Eric Ryan (method). Courtesy of the respective brands.

because they competed to be the best, but because they fought to be unique.

Route 1 – The Holy Grail — Purpose and the price of greatness

Winston Churchill once said, 'The price of greatness is responsibility', and while he certainly was not talking about something as banal as branding, this quote summarises well what today's consumers expect, namely that entitlements coming with status and leadership must be balanced with social responsibility and honourable behaviour.

The number of people who claim 'social purpose as the most important factor when quality and price are the same' has reached well over 50 per cent.⁴ And, more surprisingly, according to various studies, consumers in emerging markets seem to be even more bullish in demanding that businesses are considerate and responsible. The concept of 'purpose-driven economy' or 'ideological branding' has become a global force. And

Ueber-Brands have taken this to heart. They fully embrace the fact that today greatness can only be achieved through a strong sense of responsibility.

A textbook example is TOMS, the brand that invented the 'One for One giving model', initially in shoes and now expanded to eyewear, coffee, . . . and probably more in the future, helped by Investor Bain Capital. Allie Tsavdarides, Head of Marketing for EMEA, freely admitted to us that the product was actually 'quite poor' in the beginning, but it did not matter as it was the purpose or 'Why' that was driving TOMS. Blake Mycoskie found this Why on a 2006 trip to Argentina, where he discovered the popular Alpargata shoe, but also many children in need of them to be able to go to school. Inspired, the serial entrepreneur started another business — but this time not only for profit but also as a 'social enterprise': selling Argentina's national shoe and providing a pair free to a kid in need — one for one (see Figure 3). And so he still does, as 'Chief Shoe Giver' — only



Figure 3 Ueber-Brands are less about what you buy than about what you buy into. TOMS' 'One for One giving model' is a prime example. Courtesy of TOMS

his venture has grown to a US\$600m business covering many countries, supporting students in Africa with school uniform shoes as much as Syrian refugees with winter boots. He has perfected the model, working with select 'giving partners', providing 'last mile expenses' to ensure local organisations have the capital to get the shoes where they are needed and encouraging employees to go on 'giving trips' to experience giving first hand. Speaking of people: they are the best 'advertising' for TOMS, as Tsavdarides says. TOMS only hires believers in their mission, and their passion works like a word-of-mouth wonder machine. They create a community with a shared sense of purpose, which is exactly the point. And the product has become much better and more varied over time, because at the end of the day in modern prestige even if the Why is important, you cannot win in the long run if you neglect the What. *Doing good can never be an excuse for not making something well — in that even modern prestige is still as traditional as it always was.*

A much less daring example on more traditional terrain is Edeka. This century-old German grocer has managed to reinvent itself and turn the tide in the largely price-

driven food wars. Behind their mission, 'We love food', they have become the clear antidote to the all-pervasive and dominating discount chains such as Aldi or Lidl (German market share over 40 per cent), even managing to win points against rising organic chains. They have superseded the ruinous competition on the traditional 'Ps' (price, product, place, promotion) with a bigger P of purpose and lifted their brand, their 12,000 stores and 300,000 employees and profits to a higher ground.

While Edeka may not be an Ueber-Brand in all respects, they prove that successfully applying Ueber-Principles is not something reserved for lofty 'do-gooders'. 'All' it takes is a clear ideal that guides and ignites everybody, inside and out: it was first and foremost their more than 4,000 independent store owners that became galvanised and who in turn inspired their employees, who ultimately won over the hearts of their customers.

One particularly inspiring purpose activation in this was the campaign 'Nobody is Perfect', an initiative against food waste that Edeka started in 2013 and that allows people to buy slightly damaged goods for a little less. This is a great way to demonstrate 'love food', while at the same time creating a competitive advantage in

times of economic pressure. A master-class in claiming and solidifying a noble position, like a real Ueber-Brand. And one that inspired others, as did France's Intermarché or Jamie Oliver with his love for 'wonky veggies'.

But all this works only if you are truthful. As Bill Bernbach, co-founders of advertising agency DDB, once said: 'A principle isn't a principle until it costs you money'. This is because a fake is disguised faster these days than marketers can say 'new and improved'.

Route 2 – Reinvention, the little brother of responsibility

As Edeka showed, setting yourself apart through a mission is not reserved for high-minded ventures out to save the world. There are brands that build a 'missionary' Ueber-Brand without a superior motive. They are 'just' concerned with their category and products.

Take Starbucks, the coffee shop from Seattle that revolutionised and 'up-traded' an entire category and generation through the idea of serving coffee in the US in a fantasy, Euro-politan language, way and place. Yes, specially roasted coffee and a trend in savouring them on the Coasts inspired the venture. But that alone did not do the trick. Actually, it seemed limiting. Consumer research showed the US mainstream was enamoured of their bottomless cans of 'brown water' and the Starbucks roast was 'too strong' and 'bitter'. Critics still argue that Starbucks coffee itself is anything but superior. What was unarguably genius, however, was the shrewd experiential marketing. For Starbucks created a whole new world with its own language, standards and rituals. Grande Skinny Latte? Double Shot Venti Frappuchino? A decade or so ago few would have known what that meant. Now it has become a morning

ritual for millions: so much so that some sociologists refer to the 'macchiato set'. We have been initiated and introduced to a different way of starting our days, taking breaks and hooking up with friends. And that is what turned Starbucks into a global coffee wonder.

The point: Starbucks never even so much as attempted to sell anything but premium-priced coffee and its accoutrements. They offered no healthier environment, living or society. They jumped on the fair trade and recycling bandwagons relatively late. Nobody goes to Starbucks to do good — other than to oneself. In fact, many attempts at openly 'social initiatives' by the brand, such as 'let's talk about race' seem to fizzle and fail. What really made this brand was to reinvent a well-known product and category. Different taste, packaging, names, experience, distribution — everything about Starbucks was incomparable. To the extent that Starbucks can even launch in Italy and be received as an original curiosity rather than a poor imitation. Not necessarily better, but distinct. *And that is the key of Mission Incomparable through reinvention: you do not need to improve everything to be seen as better. You must break some of the rules, to establish a new playing field and put yourself outside established standards.* That is what makes you incomparable, and that is what puts you above and beyond the rest — in perception as well as price, if you choose to. In a world oversaturated and bored by sameness it is standing out that is at a premium and thus the road to riches.

Another example is Red Bull, the premier and premium-priced energy drink that created its own category and multi-billion dollar business in the course of just two decades (see Figure 4). 'Toxically sweet', 'medicinal', 'gross' are just some of the terms people use to describe the taste — hardly what the average marketer



Figure 4 The adrenaline-infused world of Red Bull: From break-dance to jumping off a cliff or into the stratosphere. Images courtesy of Red Bull Media House. Photos John Gibson, Jay Nemeth, Dean Trembl

wants to hear about her product. Yet it is exactly this polarising taste that is one of the important enablers of Red Bull's success. It puts the brand outside of anything that had ever been seen or tasted in soda — creating intrigue and exclusivity. It is an acquired taste and very effectively separates those who are 'in' from those who are — sometimes vocally — not, like parents of school children worrying about drug-like effects. This separation of 'insiders' and 'the others' is one of the essential markers of exclusivity, esteem and related pricing power we examine in detail in our book.

Beyond this, the 'sickly' taste and the reddish colour also support the mythical power of Red Bull. What looks and tastes like a drug is highly likely to actually work like one, especially when you fuel rather

than suppress rumours around taurine, the essential ingredient, being made of ground bulls' testicles and the like, have a logo that helps these rumours further along and invest almost all of a very large marketing budget into high-energy, often high-risk X-sports and all-night raves. All focused to do one thing — set yourself apart from all existing standards; make yourself incomparable through a strong mission, 'giving people wings', materialised in a more-than-unique product and expressed through a never-ending stream of high-octane marketing events and courageous stunts.

As Yvon Chouinard, the founder of Patagonia, once said to *Fortune* magazine: 'If you're not pissing off 50 per cent of the people, you're not trying hard enough'.⁵ *Where traditional brands,*

especially mass brands, are concerned with not alienating anybody, modern prestige or Ueber-Brands must polarise to attract. It is a decisive point-of-view and a consequential way of doing things that gives people something to rally around; taking liberties to prove they can; playing up the entitlements that come with being a 'cut above'; and daring to go into uncharted territory to show they have the will to lead.

The rules for a 'mission incomparable'

1. Think ahead
 - To rise above and secure your brand an Ueber-position.
2. Be more than your competition
 - And than your customer can be without you.
3. Have a purpose
 - Something you believe in and your followers can aspire to.
4. Take responsibility
 - It is the noblest way to shine, and the one that today's consumers are most likely to reward — with loyalty and price elasticity.
5. Live up to your principles
 - Put values above value if you want to make sure that price is not the important point.
6. Reinvent
 - And set your own standards. Originality often beats superiority.
7. Dare to differ
 - Be distinct to offer distinction. Only if you are set apart can you seem special.

CASE STUDY Patagonia — A mission-driven exploration of nature

This case study illustrates how a deep-seated mission guides an Ueber-Brand — Patagonia —

and manifests itself through all of our driving principles: From Mission (1) to Myth (4) to a Product to Behold (5) but not to be oversold (Un-Selling — 3). A community that Lives the Dream (6) and defends the mission against doubters (Longing versus Belonging — 2). And a company that cuts back when the mission demands It to Grow without End (7).

Patagonia is a leading outdoor clothing and specialised gear brand known for colourful, high-tech and high-priced outfits with an 'eco twist'. It all started very humbly, however, with an 18-year-old outdoor enthusiast — Yvon Chouinard — selling climbing gear out of his parents' backyard. Yvon and his climber and surfer buddies had little money and sometimes lived on supermarket trash, squirrels and other poached critters. It was to supplement his budget that Chouinard started, in the early 1960s, his little business making and selling climbing pitons hand-forged from old car axles. By 1970, the company had become the biggest climbing gear seller in the United States — and it showed. Chouinard found more and more scarring signs of the use of his equipment along climbing routes, defacing the previously pristine landscape he admired. In a Eureka moment, he took the radical decision to discontinue his best-selling product. It was to be just the first of many rather dramatic, seemingly business-destroying decisions Chouinard would make to 'do the right thing'.

Nevertheless, the annual growth rate of Patagonia sales has been well above industry averages for most of the past 40 years. By 2014, the brand had reached over US\$600m in retail sales.

On a mission to explore without exploiting

Stopping the sale of pitons is an iconic moment in the brand's history and one of the foundations for Patagonia's mission:

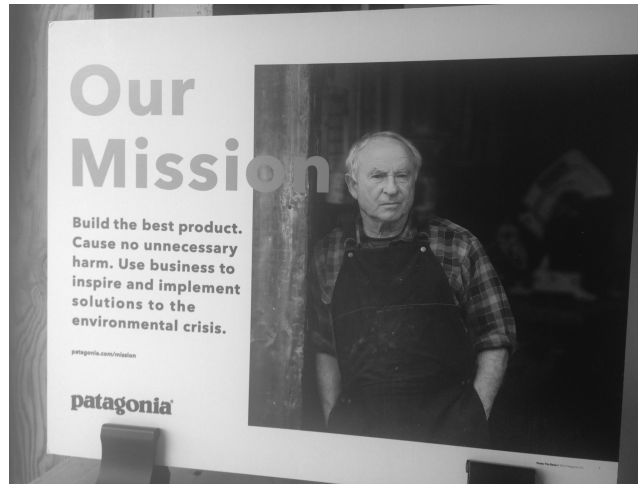


Figure 5 Patagonia – a founder and business on a mission far beyond the product. Photo by JP Kuehlwein”

‘Build the best product, cause no unnecessary harm, and use business to inspire and implement solutions to the environmental crisis’, as we can read on- and off-line at Patagonia (see Figure 5). And Patagonia has proved this mission is not just lip service. Having moved from equipment to clothes in the 1980s, the company found its rugged cotton garments becoming very popular. But they also realised the negative eco footprint and potential health danger of industrial cotton. So they went on a laborious and expensive quest to ‘re-source’, and made Patagonia the important user of and vocal advocate for pesticide-free cotton, creating the demand that triggered the birth of the now world-leading organic cotton industry in California.

It kicked off a journey towards being ‘completely responsible’, which they readily admit on their site as ‘never ending’. And while the majority of the brand’s customers might ignore these tall ambitions, the brand knew about the missionary effect of bold moves early on. In 1973 it invited an environmental activist with the crazy dream of re-naturalising an industrial canal to operate out of their offices. This was unheard of at

the time, but it rallied employees and the community and is still cited today as one of the first examples of Social Corporate Responsibility (see Figure 6). In 1985, Patagonia was also one of the first to institutionalize corporate ‘tithing’, committing 10 per cent of annual profits to grass-roots efforts in wilderness protection. A recent example is the ‘DamNation’ project, which unites employees and fans in their passion to unbuild dams or make them compatible with fish migration. Chouinard produced the namesake documentary to spread the message and sells limited edition t-shirts to boost awareness.

In 2013, Patagonia upped the ante yet again, making headlines by tackling the ‘white elephant in the room’ — growth-based capitalism itself. The company changed its corporate classification to that of a ‘benefit corporation’ and made itself publicly accountable to ‘create a material positive impact on society and the environment; expand fiduciary duty to require consideration of non-financial interests’ and to be audited — despite being a privately owned company. To some this might sound like utopian dreaming. To Patagonia’s target audience, however, setting yet a higher

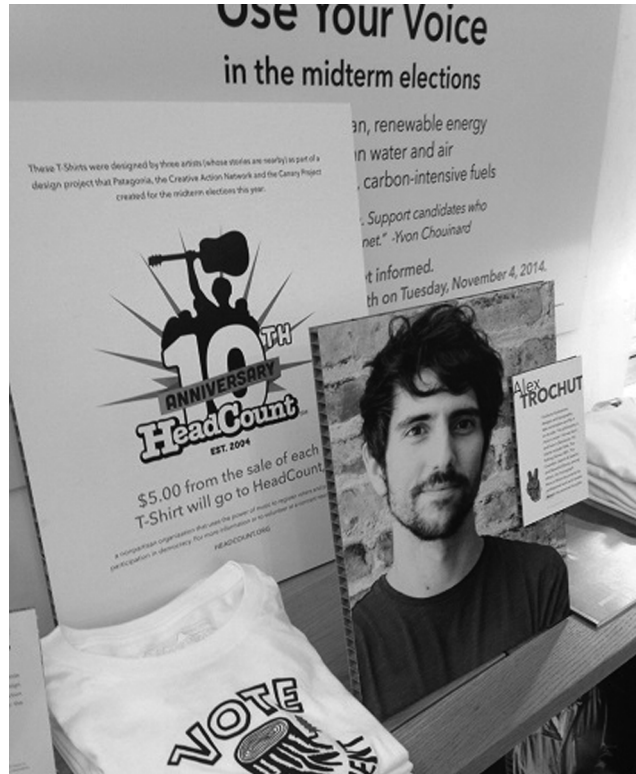


Figure 6 Patagonia's mission and activist nature come to life in store: Appeal to vote – for the right cause. Photo by JP Kuehlwein.

ethical bar is what makes the brand aspirational, worth their loyal support.

Behold: How to un-sell — More

True to this mission, Patagonia products are simple, highly functional and durable to serve rugged exploration, and thought through to minimise negative impact on humans or the environment. The brand tells stories around these aspects to make them relatable and easy to pass on.

Many of these stories are related by a group of about 80 'Ambassadors' appointed for their exceptional outdoor sportsmanship as well as by 'normal visitors' of the Patagonia website. The Ambassadors share their adventures through a plethora of blog posts, essays and films of documentary

quality. In the adjoining 'Worn Wear' section the larger community is encouraged to relate 'The Stories We Wear'. Amateurs tell of garments that have stood by them at important times and over long periods in their life adventures — not all of them Patagonia. In both, the stories come across as deeply authentic, never feeling like forced 'product placement' or staged 'torture tests'. The adventurer-activists are the heroes, but the brand becomes the inseparable helper in the journey.

There is also a very visible effort to lay bare the environmental DNA of essential products, for example in their 'Footprint Chronicles'. A typical story will tell of how Patagonia suspected that some of their feathers might be sourced from foie-gras farms where geese are force-fed, and so

DON'T BUY THIS JACKET



It's Black Friday, the day in the year retail turns from red to black and starts to make real money. But Black Friday, and the culture of consumption it reflects, puts the economy of natural systems that support all life firmly in the red. We're now using the resources of one-and-a-half planets on our one and only planet.

Because Patagonia wants to be in business for a good long time – and leave a world inhabitable for our kids – we want to do the opposite of every other business today. We ask you to buy less and to reflect before you spend a dime on this jacket or anything else.

Environmental bankruptcy, as with corporate bankruptcy, can happen very slowly, then all of a sudden. This is what we face unless we slow down, then reverse the damage. We're running short on fresh water, topsoil, fisheries, wetlands – all our planet's natural systems and resources that support business, and life, including our own.

The environmental cost of everything we make is astonishing. Consider the R2® Jacket shown, one of our best sellers. To make it required 135 liters of

COMMON THREADS INITIATIVE

- REDUCE**

WE make useful gear that lasts a long time

YOU don't buy what you don't need
- REPAIR**

WE help you repair your Patagonia gear

YOU pledge to fix what's broken
- REUSE**

WE help find a home for Patagonia gear you no longer need

YOU sell or pass it on*
- RECYCLE**

WE will take back your Patagonia gear that is worn out

YOU pledge to keep your stuff out of the landfill and incinerator
- REIMAGINE**

TOGETHER we reimagine a world where we take only what nature can replace



water, enough to meet the daily needs (three glasses a day) of 45 people. Its journey from its origin as 60% recycled polyester to our Reno warehouse generated nearly 20 pounds of carbon dioxide, 24 times the weight of the finished product. This jacket left behind, on its way to Reno, two-thirds its weight in waste.

And this is a 60% recycled polyester jacket, knit and sewn to a high standard; it is exceptionally durable, so you won't have to replace it as often. And when it comes to the end of its useful life we'll take it back to recycle into a product of equal value. But, as is true of all the things we can make and you can buy, this jacket comes with an environmental cost higher than its price.

There is much to be done and plenty for us all to do. Don't buy what you don't need. Think twice before you buy anything. Go to patagonia.com/CommonThreads or scan the QR code below. Take the Common Threads Initiative pledge, and join us in the fifth "R," to reimagine a world where we take only what nature can replace.



TAKE THE PLEDGE

Figure 7 Patagonia appeals to customers by 'un-selling' the brand in this ad placed in newspapers on Black Friday 2011. Property of Patagonia, Inc. Used with permission.

carried out a long audit until it was finally able to certify its down as 100 per cent cruelty free in 2014. Until that point the brand recommended that those opposing such practices avoid these products; a kind of self-indictment that elevates Patagonia and its products into a higher league. In stores, you can pick up a copy of 'Truth to Materials', a free book containing essays and a glossary on the responsible sourcing, treating, recycling, reclaiming, reusing or composting of Patagonia's garments over 117 pages. The book is beautifully illustrated, inviting you to leave it on your coffee table.

A 2013 ad brings together all these elements of 'beholding' the product while 'un-selling' — literally (see Figure 7). One of Patagonia's iconic fleece jackets is put in the spotlight to be admired, but in a way that does not feel like a sale — quite the contrary: 'Don't buy this Jacket' is the headline of the full-page ad in the *New York Times* and other big national newspapers on that Black Friday, a important shopping day in the year. Instead of just describing the product's durability and manufacturing from recycled materials, the body copy — which we encourage you to read together with the other Patagonia materials on our blog — focuses on the unavoidable negative environmental impact of buying new garments, driving readers towards the 'Common Threads Partnership', an initiative to repair, resell or recycle Patagonia garments, rather than discarding them.

Once you have read the ad and followed the ensuing debates it triggered across the media, you recognise the ingenious way in which this act of 'un-selling' furthers the awareness and respect consumers have for this brand — particularly Patagonia's important target of rugged adventurers, who have a rather critical attitude towards commerce. Note also that, in the context of such ethical

commitment, asking for the price of these garments seems almost frivolous.

The 'Dirtbag' myth — and a community longing to belong

The myth of Patagonia is that of a hedonist-explorer overcoming his natural reluctance to become an activist as he discovers the negative consequences of his adventures and our collective consumption. The brand logo hints at the connection to the great outdoors, showing the Andes skyline with Cerro Fitz Roy at the centre, one of the most challenging mountains in the world to climb. But for most the Patagonia name alone will do the job.

Those who dig deeper will find that Mount Fitz Roy is a monument to the brand myth. It was 1968 when Chouinard and a bunch of friends left Ventura California to go on an exhilarating journey to its top. The films and stories they brought back became part of the lore of the 'Dirtbags', a group that to outdoor enthusiasts has become legend: people who commit themselves to scaling the outdoors to the point of abandoning civilised life.

Chouinard and the brand constantly and consistently relate the Dirtbag myth. The brand website serves as a forum for the Dirtbag community to relate their thoughts and feats. All, however, with a distinct sense of calling and pride in the mission to 'save our earth'.

Naturally, it helps to strengthen a group when the 'outsiders' are also clearly identified. That's why fashion is an 'f-word' at Patagonia and there is a rather open contempt for those who follow it. Yet, the fact that more Snap-Ts are worn by hipsters than by fly fishermen has not been lost on the brand: 'We outgrew our loyal customer base . . . selling to yuppies, posers, and wannabes . . . These people don't need

this shit to get in their Jeep Cherokees and drive to Connecticut for the weekend'.⁶ Such harsh words, by the founder, reassure the hardcore fans that the brand has not sold out and that they are the only 'real' Patagonians, without diminishing the appeal of the myth to the rest who keep the production lines humming.

Living the dream

The way the company organises and acts, its offices, websites and stores, all bear witness to the Patagonia beliefs and tell the brand story. There is a shrine behind the headquarters in Ventura, which consists of a corrugated tin shed that served as the piton forge in the early days. Chouinard makes it a ritual to give interviews there in his worn-in clothes and apron while fiddling around on an improved camping knife or stove.

In *Let My People Go Surfing: The education of a reluctant businessman*⁷ he summarises his organisation- and business-building experience. Patagonia is a self-selective organisation where like-minded people thrive. The Patagonia campus was famous for being a place where employees play beach volleyball, enjoy organic food in the cafeteria and on-premise child care — decades before Google was around. The management 'board meetings' held in wetsuits are lore. Product development takes the form of owner and employees going on excursions, to return — sometimes months later — with feedback on products, ideas for new ones and new recruits. There is an 'Environmental Internship Program' providing paid leave, which has led to the most diverse causes being initiated or supported by employees and shared via the blog 'The Cleanest Line'.

Patagonia's storytelling, values and rituals are naturally carried into the flagship stores, which have the look and feel of mountain lodges, just like the headquarters. There are 'Truth to Materials'

collection items made of reclaimed wool, down and polyester stacked on a table next to the gallery. The store staff are encouraged to join environmental causes, and are empowered to do right by the customer. There are stories about customers getting their shorts exchanged after a decade of use — before it became a corporate policy with the 'Common Threads' initiative. As a consequence, employee turnover is a low 25 per cent, compared to an average in clothing retail of well over 100 per cent.⁸

Growth with (-out) an end

Such consistency and depth of dedication is not achieved overnight and requires a special type of ownership. Over the decades Chouinard has declined many offers to sell or to inject private equity money to fuel growth, going for an organic growth pace, instead. He thinks one of the biggest mistakes he ever made was to succumb to the immense popularity Patagonia enjoyed in the free-spending 1980s and bring in 'professionals' to help manage it, just to see the bubble burst and having to let go of 20 per cent of the workforce to save itself a short while later. At that tragic juncture, 'industry experts' judged that it was Patagonia's unconventional approach to business that would be the demise of the brand. Eddie Bauer President Wayne Badovinus commented in a 1992 interview with *Inc.* magazine: 'A lot of people assume that these tribal rituals make a business better. But in the final analysis, clear measures of your progress — sales and profits — help guide you a lot more'.⁹ History proved him wrong. Eddie Bauer went bankrupt in 2009 and was picked up by private equity. Patagonia recovered standing by its values. The business has had a compound annual growth rate of 16 per cent over the past 35 years — despite trying to fight it.

Access the websites and films mentioned in the paper at <https://masstoclass.wordpress.com/ueber-brand-book-bonus-materials/> Or scan this QR code and click 'Bonus Materials':



References

- (1) Schaefer, W. and Kuehlwein, J. P. (2015) 'Rethinking Prestige Branding - Secrets of the Ueber-Brands', Kogan Page, London, UK.
- (2) Cone Communications (2013) 'Cone Communications/Echo Global CSR Study', available at: <http://www.conecomm.com/2013-global-csr-study-release> (accessed May, 2014).
- (3) Page, A. and Katz, R. (2012) 'The truth about Ben & Jerry's', *Stanford Social Innovation Review*, Fall, available at: www.ssireview.org/articles/entry/the_truth_about_ben_and_jerrys (accessed May, 2014).
- (4) Edelman.com (2012) 'Introducing good purpose 2012', available at: <http://purpose.edelman.com/slides/introducing-goodpurpose-2012/> (accessed May, 2014).
- (5) Mackenzie, D. (2013) 'Integrity: A key component for a successful sustainable organization', *Dragon Rouge*, available at: <http://www.dragonrouge.de/blog/integrity-key-component-successful-sustainable-organisation> (accessed May, 2013).
- (6) Swansburg, J. (2012) 'Where fashion is the F-word', *slate.com*, available at: http://www.slate.com/articles/life/fashion/2012/03/patagonia_yvon_chouinard_s_company_makes_technical_climbing_gear_how_d_it_catch_on_with_the_rest_of_us_.2.html (accessed May, 2014).
- (7) Chouinard, Y. (2006) 'Let My People Go Surfing: The Education of a Reluctant Businessman', Penguin Books, New York, NY.
- (8) Henneman, T. (2011) 'Patagonia fills payroll with people who are passionate', *Workforce.com*, available at: <http://www.workforce.com/articles/patagonia-fills-payroll-with-people-who-are-passionate> (accessed May, 2014).
- (9) Welles, E. (1992) 'Lost in Patagonia: Yvon Chouinard's ambitious social mission', *Inc Magazine*, available at: <http://www.inc.com/magazine/19920801/4210.html> (accessed May, 2014).