Modern marketing in disguise: creating value connections between companies and consumers
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Summary

Modern marketing in disguise: Creating value connections between companies and consumers

Rationale and problem statement: different solutions for the marketing crisis

The rationale for this research were the two different types of solutions to a crisis in the realm of marketing. Given an alleged increase in unpredictability of consumer behaviour, both marketing science and practice have lost credibility (Leeflang 2005a).

The proposed solutions to this crisis come from two different assumptions about predictability of consumer behaviour:

1) Consumers are still predictable, but given an increase in uncertainty and complexity, marketing managers have to be more able to collect data and apply statistical techniques to forge models that explain consumer’s behaviour.
2) Consumers are not always predictable, and marketing managers should be more aware of their idiosyncratic preferences, and behaviour and be able to react timely to their signals.

I have called the first type of solution hypermodern and the second type postmodern. Hypermodernism implies a belief that consumers should be made aware of their best choices and of their latent needs, and marketers should create this awareness and manipulate the consumers’ purchasing processes. The concept 'target market' is to be understood in such a context: companies decide who should buy the product and why. However, many successful companies do not follow modernistic approaches (Wouters 2005). Postmodern approaches do recognise the capability consumers have to make the best choices by themselves and to add values to commercial propositions. Following a postmodern approach marketers should support conversations between consumers and eventually intervene.

Whatever the chosen marketing strategy – most often a combination of the two approaches discussed above – many companies do manage to create an emotional value connection with a large enough number of consumers. Many brands do acquire meaning for consumers.
Research question and approach

The main question of this research regards the relationship between the type of value connection between a company and consumers and the company's marketing strategy: What kind of marketing approach is to be preferred in relation to the desired type of value connection? It is by clearing up this issue that we can give suggestions as to when to apply hypermodern or postmodern solutions to the marketing crisis. Therefore, more specifically, the proposed questions are the following:

1. What are the possible types of value connections between companies and consumers?
2. How does marketing contribute to creating these value connections?

To research these questions I have chosen to analyse four brands that managed to establish and maintain a strong value connection with a sufficiently large number of consumers for a rather long period of time. These are: Diesel, Innocent drinks, Mini and MINI. Diesel is an Italian apparel brand that has existed successfully for more than thirty years, and from its inception had the aim to become a globally recognised brand. The second brand is a producer of smoothies, i.e. crushed fruit drinks. Notwithstanding the fact that many large companies in the beverages sector have tried to enter this market, the startup in the United Kingdom managed to gain and keep a market share of about 70%. The Mini-car was introduced in the beginning of the 60s and quickly became an icon for a generation. In 2001 the brand has been taken over by the German car producer BMW, adapted to contemporary technological and safety standards, and re-introduced as the MINI (with capital letters). Confronting the old and new Mini's gave me the opportunity to confront a similar value proposition in both modern and postmodern – marketing – times.

Methodologically I have followed the premises of what goes under the denomination of 'grounded theory' (Glaser and Strauss 1967; Goulding 2004). This approach implies both induction and deduction. This means that:

- The research process is characterised by a continuous interaction between theory and data. The intended generalisation is thus not of a statistical but rather theoretical, which does not imply extracting variables from a context (to generalise their relationships across data-sets) but rather always taking into consideration the context.
of phenomena to get to richer descriptions and explanations.

- The validity of the findings is always limited, because new data can always add to existing knowledge. In other words, hypotheses are not univocally accepted or rejected, but rather continuously reformulated. In such a context one does not pretend to be objective, or subjective, but rather inter-subjective (i.e., as long as we agree about the findings...). Reliability of the findings is assured by triangulation, which means looking for different sources of information, and hermeneutics, which means showing awareness of personal influences on the interpretation of data.

The data-collection methods I have used to collect information about the companies’ actions and intentions and about consumer responses are: interviews, company projects, articles in the press, and internet-based discussions.

As I have defined marketing as a process of value-creation where both companies and consumers are involved, I have looked at activities and opinions of both companies and consumers, as I assumed both take original initiatives. Products do take marketing initiatives as well sometimes; for many owners the Mini-car, for instance, has a distinct personality, and they sometimes even consider the car part of the family. This is not only the result of the company’s marketing initiatives, but also of the aesthetic properties of the car. People have different associations with for instance round and edgy shapes (Hrdy 2009), and the anthropomorphic characteristics of the car for a large part explain why people do get attached to them (Windhager et al. 2012). For many people the bottle containing Innocent's smoothie does have a distinct personality as well, one comparable with that of the current British prime minister David Cameron.

The Glue Value of brands

In order to give an answer to the first of the questions posed above, I have looked at the cultural and social origin of the symbolic value of a brand as representing the value proposition of a company. Based on these two dimensions I have developed a model that shows the extent to which a brand has the power to gather people around its value proposition (see figure 1). This is what I have called the 'glue value' of brands.
The cultural and social references implied in a brand's meaning constitute its symbolic value. The cultural dimension in figure 1 explains the extent to which consumers recognise its symbolic value; if the cultural reference system for understanding this symbolic value is smaller (the vertical line in figure 1), then the emotion called up by recognizing it, is probably stronger. The social dimension (the horizontal line in figure 1) indicates the extent to which a brand has some kind of 'grouping' power, i.e. the extent to which consumer tend to gather around the value proposition in the form of e.g. events or internet-based discussion groups. The resultant of these two dimensions, as shown in figure 1, is the Glue Value of a brand.

Figure 1: The Glue Value of brands

Brands belonging to the left upper quadrant do have a meaning that is broadly recognised and clear to most consumers. These are generally brands that have a more functional value proposition, implying e.g. efficiency, and solutions to rather practical problems. Moving to the lower right quadrant we find brands that have a more emotional kind of value proposition,
a stronger meaning for small groups of consumers. In its most extreme case this emotional value is totally attributed to the brand by consumers themselves (see figure 2). The brand is, so to speak, 'hijacked' by consumers. This is the case with brands like Abercrombie and Fitch, or Nutella, where consumers spontaneously organise parties revolving around them. But also when the brand symbolises a specific opinion in social discourse as has been the case with Lonsdale (xenophobia) or Fred Perry (homosexuality), among others.

It should be noted that having a high glue value is not tantamount to saying that the brand is strong, or successful. For instance the Mini has a higher glue value than the MINI, the latter has been much more successful however, at least in terms of revenues generated.

<table>
<thead>
<tr>
<th>GV I</th>
<th>GV II</th>
<th>GV III</th>
<th>GV IV</th>
<th>GV V</th>
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<tbody>
<tr>
<td>Symbolic value is ‘value for money’.</td>
<td>Symbolic value conveys individual status/attractiveness.</td>
<td>Symbolic value is understood in a broader social context.</td>
<td>Symbolic value is recognized in a smaller, ‘tribal’ social context.</td>
<td>Symbolic value is ‘hijacked’.</td>
</tr>
</tbody>
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*The benefits of the value proposition are to solve basic, physiological problems of subsistence.*

*The benefits of the value proposition are related to enhancing attractiveness.*

*The benefits of the value proposition imply allegiance to trends reflecting extant zeitgeist.*

*The benefits of the value proposition imply allegiance to a specific (local) micro-cultural context.*

*Consumers generate benefits by adding values to the firm’s proposition.*

**Figure 2: The Glue Value qualifier**

**Hyper- and Postmodern marketing**

In order to answer the second research question I developed, together with my coach, a taxonomy of marketing approaches based on the extent to which these pretend to manipulate consumer behaviour. As I have shown in the introduction one can discern two types of solutions to an alleged marketing crisis: one is based on the assumption that more information about consumers characteristics and behaviour can lead to better ways of predicting and manipulating their purchasing behaviour, the second one assumes that consumers add values to a company's proposition spontaneously, and therefore consumers’ behaviour cannot be
predicted and manipulated. I have named these two approaches respectively hyper- and postmodern. Whereas modernism implies the idea that improving the conditions of life is achieved by institutions’ paternalistic behaviour, aided by technology and science, postmodernism shows how such social projects (or 'meta-stories') are inevitably deemed to fail in favour of individual projects (e.g. Bauman 2000, Lipovetsky 2004) and that better conditions of life can only be achieved eventually by recognising society’s ability of to self-organise. In this respect manipulation is more modern than postmodern in nature. Maffesoli (1996) recognises the inevitable social nature of the human species, and sees a tendency of people to spontaneously group to constitute neo-tribes. Opposed to traditional tribes these do not need geographic references, and are forever changing the symbolic norms that signify people belong to them. Also, people might seek recognition in more neo-tribes, and do not necessarily belong to only one of them. The Glue Value of brands can be considered as representing the extent to which it signifies belonging to a specific neo-tribe (a kind of 'totem').

Coming back to marketing, hypermodern approaches reflect strategies aimed at manipulating consumer's behaviour and/or perceptions, whereas postmodern approaches reflect strategies that do recognise the possibility of consumers to self-organise around a value proposition, and even to shape it; prediction and control versus adaptation and 'small interventions'. The taxonomy or the 'HyPo dimension' is represented in figure 3.

![Figure 3: the HyPo dimension](image)

On the left side of the HyPo dimension we find approaches that are aimed at finding out exactly what consumer want and why, in order to find arguments to convince them of the value implied in the company's proposition. This is for instance the case with a marketing approach much used in politics called 'microtargeting', which goes beyond defining a target
market to find more specific target groups in order to enhance the local relevance of a message. On the right side of the HyPo dimension companies might take initiatives, but these initiatives are aimed at accommodating the value proposition according to the interpretations of meaning attributed by consumers.

The Hypo dimension thus takes into account initiatives of both consumers and companies. In order to measure these I have developed three indicators of marketing activity and in doing so considered both the supply side (suffix $s$) as the demand side (suffix $d$). The indicators are:

- Activation ($AC_s$ and $AC_d$): Is consumer initiative necessary to activate the marketing message? Do consumers take initiatives to spread the message?
- Adding Values ($AV_s$ and $AV_d$): Is the company explaining the value proposition? Do consumers take initiatives to add original (not-intended) values not explicitly intended by the company?
- Peer Activity ($PA_s$ and $PA_d$): Are company initiatives aimed at stimulating gatherings of people (both offline and online)? Do consumers take initiatives to gather in the name of the brand?

In order to further understand if and to what extent the company has tried to manipulate the perceptions of the brand, I have developed (or rather 'found', following the grounded-theory premises) the 'value connection pyramid' as shown in figure 4.
Figure 4: The value-connection pyramid

According to this model there are several levels on which marketing managers can take decisions. At the core level (tier 1) is the core of the value proposition of the company's activity. The second level (tier 2) represents the translation of this into brand values, or else into the desired 'image' of the brand. The third level (tier 3) shows the extent to which the marketing and promotional activities have been explicated, and the fourth level shows the extent to which the value proposition is adapted to local, or localised, reference systems. At every level the content can be more or less explicit (hyper- or postmodern strategy).

Modern marketing in disguise

Manipulation is not always intentional. Some features of the companies’ marketing initiatives, as well as products, do have manipulative power, even if this is not explicitly intended by marketing managers. I have found the following four mechanisms that might explain how a strong emotional value connection between the brands and some consumers came about:

1. **Getting personal**: Marketing can give a brand a defined personality by making use of the interactive nature of media (as interfaces) or of intertextuality, next to using anthropomorphic designs. In this way consumers develop a value connection of a
personal, human kind with the brand. Innocent’s 'tone of voice' and visual identity clearly
give a distinctive personality to the bottle. The Mini also has aesthetic characteristics that
convey a need for care. Interestingly this last feature is reflected in a female consumer
base that is larger than the marketing managers expected. In evolutionary psychology this
relationship between round aesthetic cues\textsuperscript{216} (i.e. 'kinder-schemata') and need for care is
also called 'pedomorphism' (Lorenz 1950).

2. \textbf{Between neo-tribes and imagined communities:} The value connection is often the result
of a need for group identification. Marketing creates more or less imagined and more or
less exclusive communities to which consumers may possibly be attracted. Next to
Maffesoli's 'neo-tribes' some authors acknowledge that communities, also as spontaneous
institutions, can have more or less defined boundaries (Duivendak 2004). Anderson's
concept of 'imagined communities' (1983) has been developed with reference to national
identities, but can also be applied to brands, when their symbolic meaning involves
belonging to an – imagined – community.

3. \textbf{Interaction, reciprocation and co-evolution:} Humans tend to reciprocate or respond in
kind, also when there is no direct, evident payoff in doing so. The enormous amount of
information people post every day on websites like Youtube is testimony to this. When
marketing asks consumers to reciprocate, consumers often do, even if just for 'fun'.
Leveraging on this tendency can lead to creating a strong value connection.

4. \textbf{Play & games:} In nature play and playfulness are important means to discover and learn,
to adapt and coevolve. After a short break due to modernistic distinctions between
'serious’ and trivial issues, now being playful is allowed again sometimes. At the same
time postmodern marketing has rediscovered the coercive nature of playfulness and
games. Indeed play, as a form of learning, is a constitutive factor in the formation of
cultural systems (Huizinga 1958) and of social interaction (i.e. searching for boundaries).
The creation of a context where interaction is linked to payoffs given according to pre-
established rules, can lead to addictive behaviour and hence link consumers to a brand.

\textsuperscript{216} “...relatively large head, large, low-lying eyes, and pudgy cheeks. Together with short thick
extremities and clumsy, gamboling movements...” (in Hrdy 2009: 221).
Looking at the denomination of the marketing approaches as in figure 3 above, these kinds of mechanisms would seem more post- than hypermodern. However, if one looks at evolutionary psychology, the fact that eliciting interaction is a rather manipulative mechanism, leads me to conclude that postmodern marketing is often more modern than otherwise. In other words, it is 'modern marketing in disguise'.

**How marketing contributes to creating a brand's Glue Value**

The relation between the HyPo nature of marketing and the resultant glue values of the brands I have analysed, is shown in figure 5.

![Figure 5: Marketing around the edge](image)

On the vertical ax in the graphs in figure 5 I have reported the five HyPo categories as described from figure 3. On that dimension I have measured the extent to which the companies have tried to influence consumer behaviour and perceptions (left side of the graphs) and the extent to which consumers have bee active in relation to the brand (right side in the graph). Upper right I have reproduced the Glue Value of the brands.
From this analysis we can conclude that if a company tries too hard to convince consumers of the benefits of the proposition this can lead to a lower Glue Value than wanted. This means that e.g. defining and planning brand values and promotional activities in too much detail does leave little room for consumers to add values to the brand, and hence leads to a less strong emotional value connection. This becomes evident, for instance, by confronting the graphs of Diesel and MINI, and those of Innocent and Mini. In the first cases marketing has been more manipulative than for the latter cases (i.e. the value connection pyramids are much more detailed). A more in-depth look at the graphs of Mini and MINI shows another interesting finding which confirms the conclusion from the previous section. Whereas the approach of Mini has been postmodern in that the car got picked up by a group of people almost by chance and became iconic in the 60s London, BMW tried hard to apply postmodern, interactive marketing techniques, and promoted the car insisting on giving it a friendly, personal character. However as a result the Glue Value of the MINI is lower than that of Mini; again: modern marketing in disguise.

In Figure 6 I have summarised this result in a graph which clearly shows that there seems to be a 'tipping' point above which trying harder to influence consumer behaviour and perceptions actually does not pay off in terms of a higher Glue Value. This does not necessarily mean that no marketing is the best option (by the same token, a high Glue Value does not necessarily imply commercial success).
The conclusion above implies that for gaining a higher Glue Value a company should take into consideration the consumers’ capability to collectively give meaning to the proposition. At the same time though, a company must 'do something' to reach these consumers, but also not seek too much explicit allegiance with specific cultural reference systems. This may be most clear when looking at the history of Innocent drinks. This company's marketing was aimed at 'doing little things' (literally, in the words of the founder) in order to make sure people would attach meaning to the brand. And so they did. The little things the company managers did though, were always significant in the context of England, and in the context of the years it thrived. That context was represented by a combination of the discourses of health, environmental issues and entrepreneurship. When the financial crisis impacted the UK though, many consumers quickly shifted to smoothies branded with a private label, showing that the strong value connection was established, but with a limited number of – loyal –
people. Also, the concept was meant to work in continental Europe as it did in the UK, but that was never the case. Notwithstanding the fact that several other producers entered the market for smoothies at the time, from its inception Innocent did aim at international expansion. I think, however, its concept was too strongly bound to the cultural reference system represented by the UK at the beginning of the new millennium. The fact that Coca-Cola bought a large stake in the company and closed some of its marketing offices outside the UK, shows how the product now relies on distribution (push strategies) to be able to still achieve some revenues. This is quite obvious if one looks at the definition of Glue Value: as a brand grows the cultural reference system must be larger and at the same time more defined. This has been the case with Diesel. The owner and founder of Diesel aimed at creating a global brand from the very beginning. He did so by filling in the value connection pyramid with what Jacobs (2010) calls 'half-empty concepts'. This means that Diesel defined its core and brand values in a way that these represent a way to look at e.g. contemporary social trends, but not in terms of these trends themselves. For example, one can look at every kind of issue with irony and double edgedness. The image of Innocent became too explicitly bound to the extant trends in the UK at the beginning of the new millennium.

The need for Diesel to define its values in this way was probably also due to the fact that explaining to people why a smoothie is healthy is easier than explaining to people why they should spend more for a pair of ripped off jeans. This means that the core of the value proposition should be taken into account when defining the desired Glue Value and the marketing approach to be used consequently. This leads us to the main question stated at the beginning: what is the relationship between the type of value connection and the marketing strategy?

**Three less generic strategies**

To clarify the main results of my research it might help to refer to the three generic strategies as formulated by Tracey and Wiersma (1995). These three generic strategies could be expressed in terms of intended value proposition and hence Glue Value, and a different kind of marketing approach, in HyPo terms, can be applied for every kind of strategy. The three

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217 One could argue that for Mini that was also the case, but London in the 60s represented a zeitgeist, whereas the zeitgeist of the new-millennium is not represented by the UK.
generic strategies proposed by Tracey and Wiersma are: 1) operational excellence, where the value proposition consists mainly of functional benefits, 2) product leadership, where the value proposition consists of qualitatively better products and solutions, and 3) customer intimacy, where the value proposition consists of creating personalised emotional connections.

1. Operational excellence: When the value proposition is based on functional benefits, like efficiency and speed, collecting objective data about consumer preferences and use is quite easy and straightforward. Discount store consumers are easier to predict in their behaviour than high-end department store consumers. This means that marketing approaches in HyPo categories I and II might be more suited as a company should try to understand and anticipate on consumers’ objective needs for improved service and products.

2. Product leadership: When the value proposition is based on differentiation through continuous innovation and branding, then a more interactive approach (HyPo III-IV) could be more suited, as it becomes the only way to know if new features will 'work' or not (i.e. one cannot ask consumer opinions about something they do not know yet). Also transactional innovations in marketing and branding can be tested in an interactive manner. Eliciting responses on a semantic level, for instance with the use of digital interactive media, can help a company to discontinue or reinforce certain marketing activities and messages. In fact, as said before, since the initiative still lies at the supply-side mostly, these kinds of postmodern marketing techniques could be considered as modern marketing in disguise.

3. The last generic strategy of Tracey and Wiersma is characterised by an 'intimate' relation between company and consumers. Almost by definition such a relationship cannot be achieved by manipulation. This means that it is predominantly with these types of value propositions that a company should take into account the consumers’ capacity to spontaneously attach value to the proposition. These are marketing approaches that fall into HyPo categories IV and V. In category IV a company seeks allegiance with existing cultural systems like, for instance, those represented by a sport or a specific club. Category V comprises cases where consumers themselves
form communities around a brand. These are cases that Wipperfurth refers to as 'brand hijack'. Where managers act upon intuition more than upon objective management support systems. In fact, especially in sectors based on a strong emotional connection, like those of apparel and fashion, most managers like to say that they just do what they like, or feel like doing. A manager of a large food chain is probably more apt to show how he understands and relies on marketing information. Also chance should be acknowledged here, but it should be, so to say, 'seduced'. In the words of Machiavelli “la fortuna e'donna”. This approach implies 'doing little things' and eventually intervening with 'small corrections'.

Concluding

In this research I have questioned the role of marketing in the creation of a strong value connection between a brand and its consumers. It became evident that for a brand to acquire meaning, marketing must take into account the eventuality that consumers do spontaneously ad values to the company's proposition. In other words, a market is more than just a collection of – passive – consumers. And companies do not operate outside markets but rather are an integral part of them, as with their initiatives they always have an impact on the formation of preferences. I have shown that the extent to which companies should attempt to influence and manipulate consumer behaviour and perceptions is dependent, in Glue Value terms, on the kind of value connection the brand wants to achieve. I have defined the Glue Value as the resultant from two dimensions: the size of the cultural system of reference to interpret it, and the extent to which the brand stimulates grouping behaviour. A company can stimulate grouping behaviour by using interactive media and/or creating 'imaginary communities' around the brand (e.g. literally: the Diesel Island). The latter means are by many considered as examples of postmodern marketing, but I have shown how given their coercive properties it would be more appropriate to talk about modern marketing in disguise. The postmodern case is one where consumers spontaneously give new meaning to a brand.

One important conclusion from the described dynamics of the interaction between companies and consumers is that brands gain importance as social institutionalising factors. Brands lead to the formation of informal networks that are important to give people a sense of belonging and thus identity. In this sense they can be considered as important to achieve social stability. This reminds me of what Cova and Cova (2002) refer to as a Latin view on society, a view according to which informal, spontaneous, often ephemeral networks are more important for a
society that formal predefined ones. And Maffesoli (1996) shows how in post- postmodern times these kinds of networks acquire importance, also because they give individuals the illusion of choice and freedom (cfr Bauman 2000).

Nowadays many marketing scholars, and managers alike, claim that marketing is all about creating relationships. I have shown that if the value proposition is of a functional kind, this is possible on the basis of explicit rewards (e.g. the more you buy, the higher the discount). Concerning the emotional side of relationships, the discourse goes that consumers are becoming increasingly fickle and unpredictable in their behaviour and preferences. I would however claim that that depends on what one looks at. When considering the social and cultural contexts we see that they may not have become more unpredictable, but prefer to listen to their direct environment rather than to companies.