

Brand Concepts and Trends

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ABSTRACT

What are the secrets behind strong brands? Readers who pick up this paper will likely have had the experience of entering a beautiful brand boutique and feeling an unexpected thrill. You may have wondered, “Why is this brand able to sell at such a high price?” or “My company would like to increase its brand power, but how should we do it?” In fact, truly strong brands have something in common. And it’s not just that their designs are highly aesthetic, but that their aesthetic sense is woven into their management decisions. It’s not just aesthetic sense, or just management, but a fusion of the two. Nagasawa et al. (2022) unravels that. This paper will introduce the essence of this: Aiming to be a “beautiful Brand”, What values should we have?, GAFA values are not suitable for Japanese companies, What is a “beautiful brands”?, Ramen restaurants with long waiting lines are “beautiful brands”, GAFA isn’t the business that Japanese companies should refer to, luxury and sustainability, and Let’s model ourselves on luxury brands.

Keywords: Brand management, Luxury branding, Brand identity

INTRODUCTION: AIMING TO BE A “BEAUTIFUL BRAND”

This paper preaches the values of what the ultimate brand and branding “should be,” that is, how it “should be” and “how it should behave.”

Specifically, it argues that “brands should be beautiful,” and that in order to “become a beautiful brand,” a brand should “behave beautifully.” For this reason, we often use “aesthetic consciousness” or “aesthetic sense.”

In other words, it aims to achieve actions that are in line with the value that “brands should be beautiful,” in other words, the value of the goal of “becoming a beautiful brand” itself is positively presupposed, and the action of “beautiful behaviour as a brand” is organized in a way that is appropriate for achieving that goal. In academic terms, this is called “value-rational action (Weber, 1922).”

At the same time, it aims to achieve actions that select the appropriate means for the goal of “becoming a beautiful brand,” in other words, actions that are organized in the most efficient way possible to achieve that goal. In academic terms, this is called “purpose-rational action (Weber, 1922).”

To sum up, in line with the value that “a brand should be beautiful,” we aim to organize “beautiful behaviour as a brand” in a way that is appropriate for achieving the goal of “becoming a beautiful brand,” and to organize

“beautiful behaviour” in the most efficient way possible to achieve the goal of “becoming a beautiful brand.”

“Actions being organized appropriately to achieve a goal” (value-rational action) and “organized most efficiently to achieve a goal” (purposive rational action) may seem like they are saying the same thing, but they are quite different. If it were just the former, even if each individual action was in line with the goal, it would be acceptable even if it was disjointed and inefficient when viewed together. If it were just the latter, it would be acceptable even if each individual action was not necessarily in line with the goal, as long as it was the most efficient for achieving the goal as a whole, in other words, it would be acceptable to use any means.

Rather, it becomes the right thing by doing the right thing in the right way for the right goal, in line with the right values. This paper argues that in line with the value that “brands should be beautiful,” we should choose “beautiful behaviour” that is appropriate for “becoming a beautiful brand,” and aim to “become a beautiful brand” by practicing multiple “beautiful behaviours” in a purposeful and efficient manner, not in a disjointed way.

A BRAND MUST BE BEAUTIFUL

What Values Should We Have?

A company is something that undertakes a business or occupation. Of course, if we define it properly, it is “an organization that continuously carries out production, sales, services, and other businesses for the purpose of profit,” “the combination of production factors for the purpose of production and profit, and the entity that manages the business on an ongoing basis,” “an economic unit that performs the social function of producing goods and services in a market economy,” and “a collaborative system or organization that creates economic utility.” However, we don’t need to think too strictly about it here. Also, entrepreneurship is the creation or launch of a new business.

So, what kind of values (or management philosophy, brand philosophy, corporate mission, beliefs, company motto, credo, purpose, etc.) should you have when planning or starting a business? In a socialist economy or a state-sponsored company, this may mean running a business according to the orders or policies of the country, but in a liberal economy, you are free to do so.

You are free to follow the value that “brands should be beautiful” or not, and you are free to have different values. You are free to choose to “behave beautifully” or not. You are free to aim to “become a beautiful brand” or not, and you are free to aim to become a different kind of brand. In this paper, we suggest that you choose to “behave beautifully” and aim to “become a beautiful brand” in line with the value that “brands should be beautiful.”

However, in order for a business or company to continue, it needs to be supported and purchased by customers. When talking about “customers,” you need to consider quantity and quality. In other words, you are free to aim to acquire as many customers as possible who are supportive, even if they are not that enthusiastic, or to acquire a small number of customers

who are enthusiastic. In Nagasawa et al. (2022), we suggest that you aim to acquire a small number of passionate customers.

You are also free to aim for “high profit, low sales,” that is, to increase overall profits by selling large quantities at low prices even if the profit per item is small. On the other hand, you can ensure overall profits by selling “high profit, low sales” (a term coined by the author), that is, even if you sell small quantities, if the profit per item is high you can ensure overall profits. You are free to do so. In this paper, we suggest that you aim for “high profit, low sales.”

Note that “high profit, low sales” is a term coined by the author. It is strange that the term “low profit, high sales” is commonly used, yet there is no term to express the opposite concept. If there is no term because there is no situation in which it can be used, then this in itself may be a serious problem.

Some people may frown upon the phrase “high profit,” as being a rip-off. However, high prices and high profits are the results, but still, buyers buy the products because they consider them to be “worth the price” or “worth more than the price,” so they are a reward or reward for creating value that is recognized, and a seed of hope or sowing for the future. In other words, it includes a reward for the past (a reward for the artisans and brands that created value) and an investment in the future (hopes for the artisans and brands that will continue to create value), and it can also be seen as high prices and high profits to create the next value. In other words, the products that consumers choose will change society, and the brands that consumers choose will build a society that is rich in quality, not quantity.

GAFA Values Are Not Suitable for Japanese Companies

The so-called GAFA-represented giant global companies, giant IT companies, and giant tech companies (Big Tech, Tech Giants) are deeply ingrained in our daily lives and are very visible. They also rank highly in brand rankings and are highly praised in business magazines and business schools. However, they are probably not a role model for most Japanese companies.

If you ask them what their values are, they will probably answer something like “creating services that are useful to customers,” and that may be true. However, in reality, it seems that they have values like “continuous growth,” “striving to be a company that monopolizes the market and profits that it creates,” and “becoming a company that dominates the world in that field.” Even if this is a misunderstanding, it seems certain that they tend to do whatever it takes to realize the value of “creating services.” In fact, they have been sued for violating antitrust laws (Japan’s Antimonopoly Act) for unfair competition, and have paid large fines and settlements. Or they have been criticized for “making too much profit,” and companies and founders have been questioned for not paying taxes properly, even if it was legal tax avoidance.

As a result, we think that the value of “aiming to be a world-dominating company,” including behaviour that suggests “any means necessary to achieve growth and world domination,” does not suit the temperament

or temperament of most Japanese people and Japanese companies, except for a very small number of people who start businesses aiming to become tomorrow's GAFA. Therefore, we do not think GAFA can be a model for most Japanese companies.

Furthermore, if you ask whether a brand that acts as if it "uses any means" is "beautiful or not," the answer would probably be "not beautiful."

What Is a "Beautiful Brand"?

As mentioned at the beginning, the title of Nagasawa et al. (2022) uses "aesthetic consciousness" or "aesthetic sense" to mean "Let's aim to be a beautiful brand" and "Brands should behave beautifully."

So, what kind of brand is a "beautiful brand" and what state does a "beautiful brand" refer to?

The author actually has in mind the French proverb "Noblesse oblige." This is often translated as "the higher the rank, the more virtuous one should be," or "nobility must behave in a manner appropriate to their status," or "the duties that come with high status (respecting honor and performing charity)." This might lead to comments such as "the status and class system disappeared with the French Revolution," or "there is no such status in Japan today, and I'm not a noble, so it doesn't concern me."

It's true that "noblesse" primarily refers to "noble status or birth" or "aristocratic class." However, this noun also means "nobility, elegance, sublimity, dignity." Therefore, it can also be interpreted as "a noble person must behave in a manner befitting that nobility." If interpreted in this way, it is a state of mind and attitude that is not dependent on the status or class system, and is a mindset and value that anyone can have, even today.

From this point on, in this paper, a "beautiful brand" refers to a noble brand, an elegant brand, a sublime brand, a dignified brand, a brand that maintains dignity, a brand that takes pride in, a brand that is self-confident, a brand with ambition, and a brand with feelings. The meaning and nuance will vary slightly depending on which of these expressions or rephrases are used, but in the context of this paper, they all refer to roughly the same thing. Rather, we hope that by presenting a variety of expressions and rephrases, readers will be able to understand what we are trying to say.

Ramen Restaurants with Long Waiting Lines Are "Beautiful Brands"

We have emphasized "beautiful brands" and "aesthetic sense," but you should not jump to the conclusion that "it has nothing to do with our company." We would like to consider a familiar example to start a discussion.

Imagine you go out to eat ramen for lunch. There are two ramen shops next to each other along the road. One shop has a long line of people waiting, while the other shop is empty and looks like it will be easy to get in. Would the reader say, "I'm glad there's an empty shop. The author does not know when he can eat at a shop with a long line," and go into the empty shop without hesitation? We think most people, including the author, are curious, thinking, "A shop with a long line must be delicious," or "Isn't it a famous shop that was featured in a magazine?" And you would probably think, "I'm

not comfortable eating at an empty restaurant. I'll just go ahead and queue," or "I don't have time today, so I'll hold off on the shop with the line, but I'd love to try it next time," and want to try it at least once.

Even if you don't know the price, you'll probably think, "Even if it's expensive, it's not too expensive, so I'd like to try it even if it's a little expensive." And when you finally get to try the ramen after waiting in line for so long, you'll praise it, saying, "It was delicious and worth the wait," or "It's so good that there's a line for it." You might want to brag about it on social media. Others who see it on social media might also want to try it, and line up. This is how a ramen shop "sells even if it's expensive," and "creates passionate fans even if it's expensive." In traditional marketing, which focuses on "customer first" and "the customer is god," making customers wait is unreasonable and should not be tolerated. This is especially true when it's outside the shop, in the blazing sun, freezing cold, or on a rainy day. The shop might have a policy of "limiting servings to 200 bowls a day," or "closing business as soon as the secret soup runs out," so people line up because they think, "I have to eat it before it's gone." If the chef could increase the number of meals served from 200 to 400 a day, or make twice as much soup, or even double the number of restaurants and seats by buying the empty restaurant next door or opening a branch, then sales would theoretically double and customers wouldn't have to queue.

However, many Japanese people intuitively believe that such profit-oriented thinking would be suicidal, betraying the passionate fans who are willing to wait in line to eat, and ruining the restaurant's reputation. If readers agree that it is not enough to just increase sales and profits, then this paper, which explains what is more important than sales and profits, will be valuable. However, this way of thinking seems to be incomprehensible to many Americans and Chinese students studying abroad. What's more, it cannot be explained by American marketing or management theory (Nagasawa, 2020a). If readers think that this ramen restaurant is failing as a business and as a manager because it does not try to increase sales and profits, then unfortunately this paper will not be of any use to them.

When American business school students come to Ichizawa Shinzaburo Hanpu (Canvas) (Nagasawa, 2005; Nagasawa, 2013) in Kyoto to inspect the company, they are apparently confused. When the students ask, "Your canvas bags are popular, so why don't you open more stores?" President Shinzaburo Ichizawa replies, "We won't do that. Being big isn't a big deal." The American MBA students are astonished at this "lack of commercialism," and are confused, saying, "It's the exact opposite of the marketing and management we learned in business school, and I can't explain it," and "I can't understand this kind of business; it's impossible." The professor in charge, who listens to this exchange with a grin, is Italian-American, but when the author learns that her family owns a leather workshop in Tuscany, Italy, it somehow makes sense (Nagasawa et al., 2022).

GAFA Isn't the Business That Japanese Companies Should Refer to

As mentioned earlier, the value of “dominating the world” of GAFA, which is popular in business magazines and business schools, does not suit Japanese companies. Furthermore, their business is so different from that of Japanese companies that it is not a reference in the first place.

As these companies are called “IT platformers,” they are mainly platform businesses that make full use of IT, and are one of the few companies that have been very successful among the high-birth and high-death American venture companies. They can be of great reference to venture companies, entrepreneurs, and in-company ventures, including university-based ventures, when starting up subscription (flat-rate payment) businesses.

However, although they have strong brand power, their nature is different from that of steady manufacturing companies. It is true that Apple produces products such as the iPhone, but they are fabless (do not have factories) and source their products globally from Asian subcontractors. Also, Tesla does indeed make electric cars and its market capitalization has exceeded that of Toyota Motor Corporation, but its production plans have not been met and it has not been able to fulfill the number of orders, so it is not a reference in terms of branding with “manufacturing” at its core.

Furthermore, GAFA do not benefit from the brilliance of their services or users (customers) (just because a celebrity is an avid fan of Facebook or the iPhone does not mean that customers will find Facebook or Apple attractive). In the future, brands and companies that cannot provide heritage and the stories and experiences associated with it will not be able to attract consumers in the long term. It is self-evident that the effect of attracting customers through convenience will immediately fade when new technology or superior functions emerge. Needless to say, if the DNA and history of a company are not converted into brand value and effectively communicated, it will become just a relic. History cannot be a lie. This is what is missing in GAFA business.

Some may say that Apple is different, but the value that technology and convenience bring is destined to disappear over time, and it is a so-called “perishable IT product.” This is the exact opposite of the product value that history and culture bring. Furthermore, what Apple provides is no longer “things,” but platform services through things, and on a global scale. Even if small and medium-sized Japanese companies, especially manufacturing companies, were to use this as a reference, it would lack reality (Nagasawa, 2021a).

Luxury and Sustainability

Luxury and sustainability are big themes. It's such a big theme that we need to write a book just about environmental friendliness.

However, just to be clear, many people think that luxury means something unnecessary and unurgent and not environmentally friendly, but this is absolutely not true. Luxury does not pollute the environment. It is durable and long-lasting, and no one would throw away a Hermes bag, even if it is worn out. Second-hand brand stores in town go out of their way to say,

“It doesn’t matter if it’s worn out, we’ll buy it at a high price,” so it never becomes garbage (Nagasawa, 2021b).

It is the mass marketing brands that have mass-produced, mass-consumed, and mass-discarded that have polluted the environment, but luxury has never polluted the environment. Rather, the author would like to emphasize that luxury is environmentally friendly in the sense that it is thrown away and does not become garbage.

In addition, a luxury strategy is a powerful tool for the spread of environmentally friendly products and lifestyles.

Products that use recycled materials and are environmentally friendly are inevitably expensive. Many people will choose products that are environmentally friendly if the price is about the same, but while there are many who choose environmentally friendly products even if they are more expensive, in principle or in awareness, very few people actually do so.

However, famous people such as movie stars are wealthy and many of them are environmentally conscious, so they are expected to act as a bridgehead.

For example, movie star Leonardo DiCaprio made headlines when he drove to the Academy Awards in a Toyota Prius, a hybrid car that was not very popular at the time. In other words, DiCaprio was praised for being environmentally conscious, and the Prius attracted attention as an environmentally friendly car. This was effective in selling DiCaprio and the Prius, but it can be said to be a luxury brand promotion using celebrities.

Furthermore, our research has shown that even if a low-luxury brand such as Uniqlo sells clothes made from recycled materials, the brand’s reputation does not increase much. In contrast, if a high-luxury brand such as Louis Vuitton sells clothes made from recycled materials, the brand’s reputation increases significantly. In other words, the same environmentally friendly actions are well received by consumers (Kumagai and Nagasawa, 2020).

CONCLUSION: LET’S MODEL OURSELVES ON LUXURY BRANDS

Actually, we would like to cite Japanese companies as models for “beautiful brands.” However, for example, not only Ichizawa Shinzaburo Hanpu (Kyoto City) mentioned above, but also Gyokusendo (Nagasawa, 2020b; Nagasawa and Kawamura, 2020) (Tsubame City, Niigata Prefecture) of Tsuiki Copperware, Katsunuma Winery (Nagasawa, 2019; Nagasawa and Kawamura, 2020) (Katsunuma Town, Koshu City, Yamanashi Prefecture) of Koshu Wine “Aruga Blanca” are not well known. These companies practice luxury brand-like management, but since they are local and traditional companies rather than being nationally known, introducing the company and products takes up a lot of space, and it may be difficult to get a sense of convincing.

Therefore, taking into account the careers of the co-authors of Nagasawa et al. (2022), we will model ourselves on European luxury brands.

In other words, the feature of Nagasawa et al. (2022) is that it does not take up Coca-Cola, McDonald’s, Apple, Amazon, etc., which are the topics of most brand strategy books, but rather follows the brand strategies of luxury brands. When you say that, many businesspeople may be put off by thinking,

“It’s too presumptuous for our company to emulate a luxury brand,” or “It’s impossible for our company to become a luxury brand.” However, instead of looking at the current rise of luxury brands and giving up as if it were another world, why not emulate what local and traditional manufacturing companies, such as obscure old shops on European streets or unknown workshops deep in the mountains of Switzerland, “put their minds into,” “how they behave,” and “what they do (or don’t do)” in order to transform into luxury brands (Nagasawa, 2021a).

Nagasawa et al. (2022) targets Japanese manufacturing companies, local and traditional companies, and small and medium-sized enterprises that are struggling with low brand value and brand power. What’s more, as will be described later, there are only a few Japanese companies that are ranked in the world’s brand rankings and can compete on equal terms with global companies, and Nagasawa et al. (2022) target all other Japanese companies. Since it is based on manufacturing companies, there are some parts that do not apply to the so-called service industry, but if you replace “particular products” with “particular services,” for example, it can be quite applicable.

Nagasawa et al. (2022) has covered many examples of luxury brands to ensure the reader is convinced. Many of the examples are from Dior and Louis Vuitton, both of which the co-authors have extensive experience with, but as it would be impossible to cover everything with just one or two brands, Nagasawa et al. (2022) will also introduce examples of several other brands. The reason for this is that their “particular manufacturing” and “particular management” are similar to those of Japanese companies, making them easy for Japanese companies to learn from.

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