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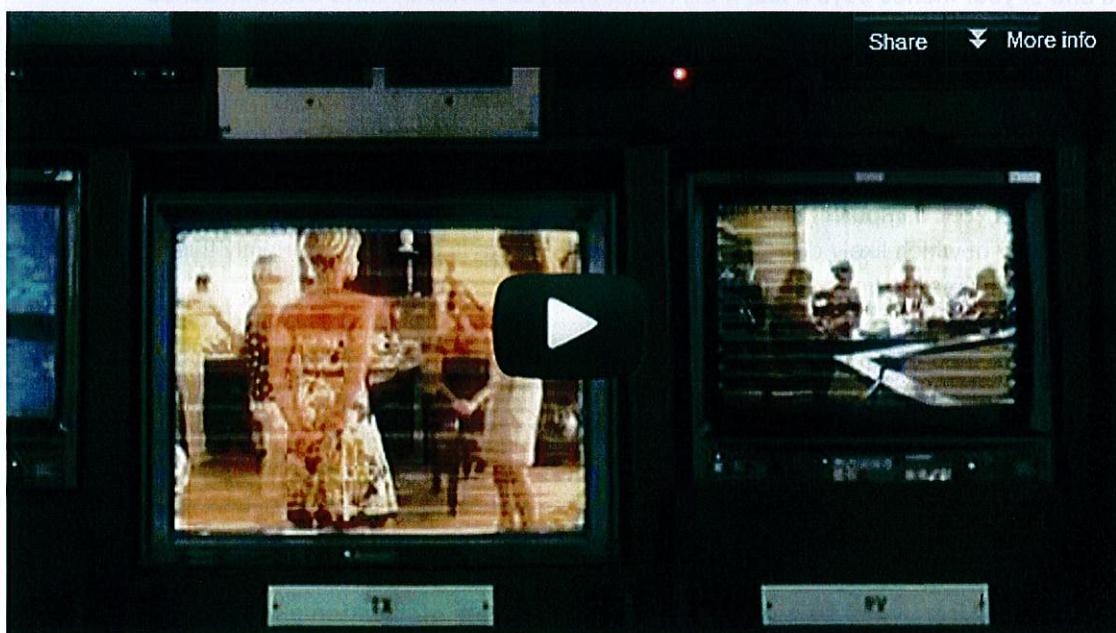
always branding. always on.



Knowing how slick and manipulative (bad) marketing can be, Lindstrom brands himself as “Author, Speaker and Fan of the Consumer.” His research shows that 53 percent of adults and 56 percent of teens use brands they remembered from their childhoods, leading him to wonder: “Are we being brandwashed from an early age — even in the womb?”

That’s why he is sounding alarm bells for consumers and brand marketers alike with his latest book, *Brandwashed: Tricks Companies Use to Manipulate Our Minds and Persuade Us to Buy*. In this interview with brandchannel, he discusses his 10 Ethical Brand Guidelines for companies (read them below), why ethics matter in an increasingly “open” and social world, and how marketing tools can be just as impactful when they are used for good as when they are used simply to convince customers to part with their hard-earned money.

Before getting into the Q&A, check out Lindstrom’s trailer — and post a comment at the end with your thoughts.



brandchannel: Martin, you started as a marketing and brand expert, doing exactly what you criticize in your new book, *Brandwashed*. Talk about what sparked your change of heart and what prompted this particular book now.

To make a very long story short, there are two different ways that you can brandwash people: the negative version and positive version. I love brands, myself, and if you read the book, you'll know I have a strong relationship with Lego and a number of other brands. But the difference is that some brands have been going too far, in my mind. What we're seeing is that we're becoming so disparate from this in a rush to make money.

In writing *Brandwashed*, what I was intending to do was not write a book about ethics—because no one would read a book about that—but to point out some of the extremes that are happening right now and say “hey, it is time to wake up.” I think the risk here is that we'll soon see a WikiLeaks of brands. Just as we'll see disclosed information about governments around the world, we'll see disclosed information about companies around the world. Brands that have their house in order don't have anything to fear. But there are many that don't, and as I mention in the book, there are many that are about to go out of control.

I tried to make a point in the book about the fact that I've done things that I'm not proud of – and this is why I'm coming out with a range of ethical guidelines for companies around the world that I'm sharing with my clients around the world, to see if we can shape up an industry that seems to have lost all sense of focus on the ethical side.

brandchannel: Do you feel that the industry has changed on ethical marketing and consumer privacy in the last few years, and how?

I think the industry definitely has changed. It hasn't changed across every parameter that I outline in the book, but it has certainly changed in terms of privacy. Let me just explain something about this because privacy has become such a cliché word and a boring topic, even though, in reality, it is not. When you really dig down and explore privacy, it becomes fascinating.

Take Google Gmail, which I know the majority of your readers are aware is monitoring every line of your email and feeding ads to the context of what you are writing about. Now, however, it is going even further – when you write an email to your friend, it can decipher what you are talking about by gather several words and it will promote an ad tailored to you. Now, if you buy something related to that conversation and one of your friends buys it too, it will notice that you obviously have some influence on the peers around you and it will start tracking how the weight of your influence. And then Google knows who should be targeted first to influence people.

That aspect is a fine grey line—and where it steps over the grey line is the introduction of super cookies. For example, we found out that Microsoft was using this element—which is really is tracking all the cookies you have in your computer, storing them even after you delete them, and selling them to third party websites, many of which likely don't even know how this data is gathered. Certainly this is where the privacy issue crosses the line.

The other day, for example, I bought a video camera and noticed an icon. Could you believe it, when I clicked on it, there was an image of a map tracking all the places I had been filming with my camera this year. That map is online and then I found the geography all uploaded to the website – and even more, all the photos are uploaded and people are tagged because it is a facial recognition system. And I had no idea. This is something we've never seen before and this is causing us to have to think about how far we really want to go to target customers.

brandchannel: Some marketers would argue that all of this data and information allows them to

give consumers what they *really* want. What's your response?

You know, I've worked in this industry since I was 12 years old and I've seen a lot of the stuff there and I still, to some extent, sit on that side. But having said that, I think we need not defend everything just to defend it because we have the descriptor "marketing expert" or "marketing guy" hung around our necks. I think we need to be clever enough to realize that if we don't stand up and try to set up some ethical standards ourselves, we will be caught with our pants down at some stage—and then someone else will set those standards instead.

That will happen in two ways. One way is that there will be some sort of strange regulation put in place that will be really damaging, because they are always black and white. The other way is that consumers, now more powerful than ever, will destroy a brand. In some cases, it might be a brand like one of those third party websites who didn't know where that Microsoft information was coming from. It is a matter of being clever enough to say we are in an industry where we need to be adult enough to say, "hey, let's pretend for a moment that we are the consumers and think about how we'd feel."

That's really where the 10 ethical standards [see below] came from. It was about interviewing consumers all around the world and asking them, "What would you say should be the right ethical standard? If a company could put that forward to you, what would that be?" And the first criterion that came out of it was really quite simple: you shouldn't do to consumers what you wouldn't do to your own family members. It is simple, but when I've exposed it to companies, they all really respond to it. One of our clients, one of the largest companies in the world, is even instilling that into its brand.

brandchannel: You mention your own clients. Are you trying to roll out your ethical guidelines to leading companies now?

I am. Of course, I'm putting myself on the line right now, literally asking companies to tick off boxes and so far the response has been good.

brandchannel: You interviewed many consumers in the course of researching this book. Did you find any differences between consumers from country to country?

In interviewing consumers globally I found some huge differences, particularly on the topic of privacy. In North America, for example, it is very clear that the consumer is about to give up. They see lack of privacy in regards to companies as somewhat inevitable so they'd rather give information to companies and get whatever discount or benefit they get out of it. If you go to Europe—Scandinavia, in particular—they are almost totally opposite. They have a very strong view of privacy and you would also see that the government regulations are very strong.

The reason I found this out is Scandinavian countries and Germany are impacted by the second world war and privacy regulation was an outcome of that. Third party advertisers were banned in Germany. I think this is why North America is relaxed about it—because we haven't seen consequences. Meanwhile, six percent of unborn babies have a digital footprint – fascinating and scary at the same time. The reality is that you will be tracked for the rest of your life now. There's no way to get around it and I don't think people are thinking about the consequences of that in North America and we need to be smart enough to think one step ahead.

Think of Nike—when it was called out for its child labor issues in China, long before we were all thinking about child labor and [sustainability](#). Nike was caught because it wasn't aware of wasn't thinking about it or a [PR disaster](#). If someone had warned them before hand they could have avoided a two-year crisis and million of dollars of revenue. We will in some stage see the same thing in regards to privacy as we've seen with sustainability and child labor.

brandchannel: In the book, you conduct a number of fMRI studies using MindSign neuromarketing. I was wondering if you could talk a little about these fMRI studies and how MindSign uses these studies for marketers and branders. How did MindSign feel about you using these studies to do the opposite of what they normally do?

First of all, I just want to say that with MindSign, I decided to go to a third party supplier, outside of my own companies, to have a distance so the studies would be objective. Second, I paid for all the studies. Third, these are more experiments than studies—a finger in the air to get a sense of things but certainly not deep scientific studies. In terms of MindSign, I honestly don't know what they are doing in terms of promotion of this. I do know that all these studies were just meant to communicate my opinion and that the clients I deal with have to follow the ethical standards I stand for. That's why last year we turned down numerous tobacco companies—to not work with them. What we did with MindSign is to try and share our ethical standards and we can only assume that they are following them.

brandchannel: That's interesting that you say that, as I know that the Advertising Research Foundation is developing new standards for neuromarketing specifically.

Here's how I feel about that. Overall, I have certainly tried to create industry ethical standards. At the end of the day, I'm a brand futurist trying to predict the path brands will take and one of the things I predicted was that branding would move into the space of neuromarketing. I think that's not to say that I'm embracing every piece of activity in that world, it is more to say if you can't beat them, join them. I'm basically saying I'd rather write a book about it to tell the consumer about what's going on – and also companies – and form some ethical standards, rather than see 15 years down the line something that is too late to change.

brandchannel: Now let's talk about something in your book: The case of the Morgensons, inspired by the 2010 movie, *The Joneses*. In your experiment, you dropped a real-life California family into a California neighborhood, and then filmed them as they went about secretly persuading friends, colleagues, and loved ones to buy a number of carefully selected brands. Aside from influencing neighbors to purchase brands, you talk a little about noting how these same tools can be used for good – specifically how peer pressure can be used to foster sustainable behavior. Can you explain?

I think there are two different forms of brandwashing. There's the negative and positive. It is a little like the tobacco industry. If I want people to quit smoking, we have to think about peer pressure – what also gets people to smoke. Scaring people to death seems to be a waste of money. Peer pressure could be used in a positive sense, to make some healthy messages come across in the media, i.e. how to support the environment, how to change crime, all that stuff.

What we learned, in the case of sustainability messages, was that because the messages are pretty positive, you as a consumer feel good talking about it. And because you feel good, you are also more engaged. And we saw that these messages, in this context, are a much more powerful message than if it is a purely commercial message. It is amazing how much you can see how peer pressure in regards to these kinds of positive messages can change behavior – 50,000 people had received this message from the Morgensons, and the message about sustainability spread the fastest.

brandchannel: You advise companies, but what advice would you also give consumers who are being inundated by marketers every day?

I think the most important is to know that we are impacted by commercial messages. Most consumers are dealing with brands every day – the average housewife, that is 65 years of age, spends eight years just shopping. Consumers need to know how vulnerable they are. Be aware. Keep an eye on companies, both good and bad. Give credit to those you feel are standing up. Consumers have so

much influence – both good and bad. Remember that.

Brandchannel: What are some of the companies you feel should be getting credit—who are conducting themselves ethically?

One company I've observed for a long time is Nestle. They have their own internal ethical standards and that standard is almost double strong as those around them – an internal code. I've never seen that before. Same for P&G. They look to a large panel of women who evaluate their initiatives — not just to wash their hands, but to get some critical insight of when they've gone too far. In the end, moves like this might seem to cost a lot, but they really save in the long term – preventing the kind of WikiLeaks-like disasters or consumer meltdowns that can be truly damaging.

Martin Lindstrom's 10 Ethical Rules

New ethical guidelines for companies operating in the age of social media

There are two different ways to brandwash the consumer – you can choose the open, honest approach, or you can take the more devious path. The choice is yours. Remember, regardless of what you do, the consumer will ultimately discover the truth.

1. Don't do to kids what you wouldn't do to your own. By extension, don't do to consumers what you wouldn't do to your friends and family.
2. Secure an 'ethical' sign-off from your target group each time a campaign, a new product or a service is about to be launched in the market. Develop your own independent consumer panel (a representative target audience) and disclose the perception of the product, as well as the reality. Let the consumers make the final call.
3. Align perception with reality. Your talents might very well lie in brilliantly creating convincing perceptions, but how do they stack up against the reality? If there's a mismatch, either one must be adjusted in order for them to be in sync.
4. Be 100% transparent. Nothing less. The consumer needs to know what you know about them. Furthermore, they must be told exactly how you intend to use the information. If they don't like what they see, they need a fair and easy way to opt out.
5. Almost any product or service has a downside – don't hide the negatives. Tell it as it is. Be open and frank, and communicate it in a simple and straightforward way.
6. All your endorsements and testimonials must be real - don't fake them.
7. Does your product have a built-in expiry date? If so, be open about it and communicate it in a visible, clear and easily understood manner.
8. Avoid fuelling peer pressure among kids. Bear in mind you'd hate for your kids to come under such pressure.
9. Be open and transparent about the environmental impact of your brand (including its carbon foot print and sustainability factors).
10. Do not hide or over-complicate your legal obligations to be placed in your ads or on your packs. These should be treated just like any other commercial message on your pack, using a simple, easy-to-understand language.

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