WN *Big Food Watch*

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Power brands

Great British images go global

BIG FOOD WATCH

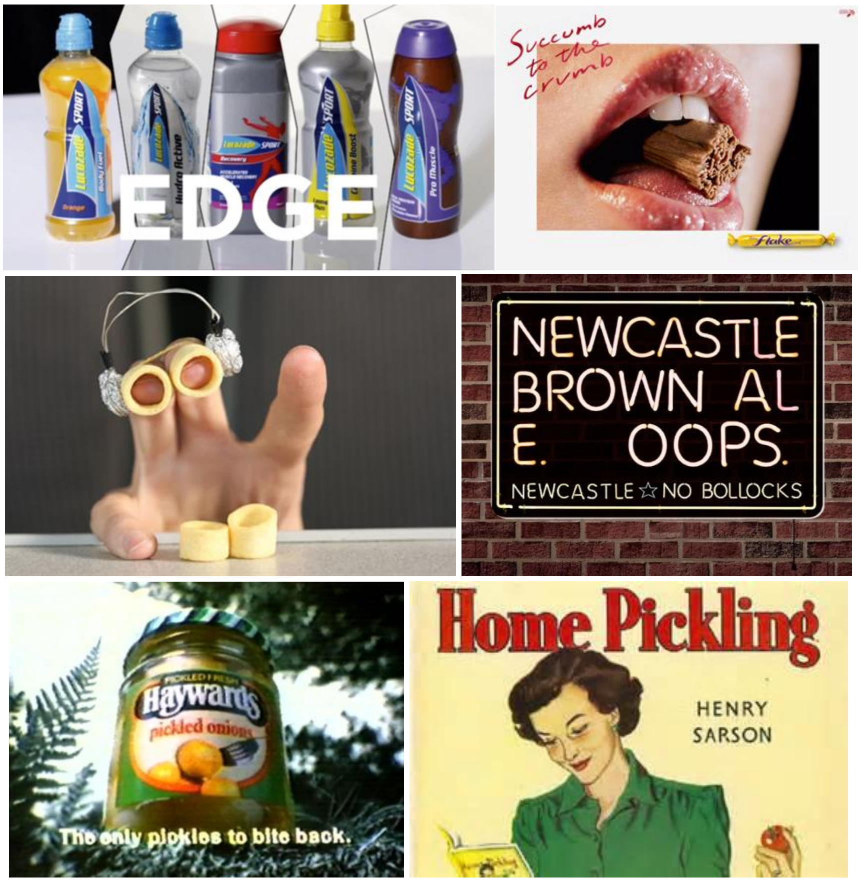
Access March 2012 Jean-Claude Moubarac on sexing up products here
Access May 2012 Advertising Age on PepsiCo as world power brand here
Access December 2012 editorial on global power brands here
Access February 2013 The Lancet on Profits and Pandemics here

The Big Food Watch team reports: Great Britain is losing another empire – its product brands. Britain experienced the Industrial Revolution first. This required and enabled a massive increase in the use of heavy machinery, fats, oils, starches, sugars, salt, additives, and food science and technology wizardry, to make the first mass-manufactured durable ready-to-consume ultra-processed products.

Increasingly cheap, these were purchased, stored and consumed by the phenomenally increased number of urban working- and then also middle-class people (1). Indeed, to see this the other way round, it was these products that created the food supplies that made possible the new urban working classes crammed into cities as from the early and mid-19th century, in Britain and also other industrialised countries.

The new mass-produced products were from the start advertised and markets with the use of increasingly ingenious branding and graphics, to imprint the allure of the name of the maker and the product in the minds of customers (2). The key to success in the processed food product business, above all has always been branding. The contents of the product – what is consumed – is secondary, even incidental. What makes millions – and now, billions – of dollars in profits, is what is on the product, in the form of packaging, labelling, advertising and promotion, and above all, branding. Think Coke and McDonald's.

The end of great British brands



The great British sun sets. Glaxo Smith Kline's Lucozade (and Ribena), Cadbury's Flake, United Biscuits' Hula Hoops, Scottish and Newcastle's brown ale, and Premier Foods' Hayward's pickled onions and Sarson's malt vinegar: seven of the British brands that have gone or are now going global

Now fast forward 150 years, to the 2000s. In the economically globalised market, national brands are fading away, or else occupy small niches – or else become recreated and go global. What transnational and other huge industries want is global product brands to which they attach their global corporate brand (3). They may invent them, or they may buy existing brands and transform them. This is also what the most profitable advertising, public relations and marketing agencies want, for they too have globalised into transnational corporations whose executives whizz around the world from boardroom to boardroom, physically or in cyberspace video-conferences. The name of the game is global brands. Ultra-processed products, including alcoholic drinks, are far and away the most valuable.

So it is goodbye to the imagery (above) that in Britain has sold a fizzy drink as if shampoo, a 'chocolate' bar as if a sex toy, an extruded snack product as if a glove puppet, and a beer as if a rude neon sign. Other products like pickles and vinegar, massive sellers in the days before refrigerators when stale cheese, meat or fish needed pepping up, never got their branding act together. But these too are being sold off. .

Lucozade and Ribena go East

The great British favourites Lucozade and Ribena once promoted as 'replacing lost energy' (left) and 'fighting fatigue' (second right), are now about to be positioned as global 'energy' and 'health' drinks

Lucozade and Ribena have been leading British brands for over half a century (see above, and top left in the introductory strip of pictures). These ultra-processed sugared drinks have always been audaciously positioned as good for health, as originally was Coca-Cola, dating back to the era when 'instant energy' from a sugar rush was thought to be good medicine. Lucozade, invented in the 1920s as an aid to recovery from illness, has with its quick hit from glucose become the UK's leading 'energy drink'. Ribena, invented in the 1930s, is promoted as a health drink because of its vitamin C content. Both are now massively advertised as part of the kit of athletes and people who are physically active. Combined annual sales are currently around the equivalent of $US 800 million (4).

Both were manufactured by Beecham, the drugs, toothpaste, hair-cream as well as 'health drink' company, and once were even advertised as aids to cures (see the black and white advertisements above). After a series of takeovers Beecham became part of the UK-based drug giant Glaxo Smith Kline. In September these sugared drinks, positioned not as sort-of over the counter pick-me-ups but as aids to achievement and well-being and the sporting life (colour advertisements above). One memorable advertisement ambiguously claimed that Lucozade 'helps top athletes go 33% longer'. Others have featured British Olumpic champions with the slogan 'Faster stronger longer. Fuel sustained performance'. Make what you will of that. Both Lucozade and Ribena have been sold by GSK for the equivalent of $US 2.1 billion to the Japanese-based multinational corporation Suntory. The deal is expected to be completed by the time this issue of *WN* is on-line. GSK says that the money will reduce its debts and also be used for 'general corporate purposes'.

Suntory, the beer, whisky and other liquor corporation, with annual sales approaching $US 20 billion, has now diversified into sandwiches, burgers, 'functional foods', and supplements. These, in its own words, are 'contributing to a healthy, radiant daily life'. Two sugared soft drink products positioned as healthy bulk up the portfolio of a manufacturer of alcoholic drinks, as more contributions to a radiant, healthy life. Or perhaps they will be promoted as cocktail mixers.

Box 1

Profits rise fastest with global power brands

An ideal product or product range is one whose specific brand promotion induces 'loyalty', and induces its consumers to buy other products with the same brand of the manufacturer. Thus a Chicken McNugget® is part of a Happy Meal® devoured at a outlet of McDonald's®, regularly voted the #2 global food product brand (5). These linked brands are meant to induce parents and older children, when the days of Happy Meals® and Ronald McDonald® are over, to take out Big Macs® all round. In 2012 McDonald's revenue was $US 27.5 billion (similar to the gross domestic product of Latvia and Cyprus and more than that of Bolivia and Tanzania), its assets $US 35 billion, and its gross profits $US 8.6 billion (6).

Coke is perfect

The perfect brand is of a product that is cheap to make, instantly gratifying, available everywhere, whose promotion induces a sense of excitement, success and aspiration. In 2013 *Forbes* rated the value of the Coke brand at $54.9 billion, third highest globally after Apple and Microsoft (5). Since its invention in the late 19th century, the logo of Coca-Cola has remained the same, as seen below. The invariable use of bright red is also a century old. The swoosh came later. All the main iconic elements of the branding are used everywhere.

In 2012 revenue of the Coca-Cola corporation was $US 48 billion (similar to the gross domestic product of Bulgaria and Slovenia, and more than Ghana and Serbia). Its assets amounted to $US 86 billion, and its gross profits were $US 29 billion. In the year, 27 billion cases of Coke were distributed worldwide. Sales in North America are saturated. (5). Annual sales in lower-income countries are increasing up to double-digit percentages. The corporation's target for annual world sales of all its products in 2020 is $US 100 billion (7).

What sells processed food products and ultra-processed products, above all, is branding and marketing. The ingredients have to be made super-palatable. This is achieved by limitless combinations and permutations of industrially processed oils, starches, sugars, air, and water, together with salt, preservatives, processing aids, flavours, colours, and other additives, together with some or no food, depending on the nature of the product. Industrial processes such as hydrogenation, hydrolysation, extrusion and reshaping are used, or else industrial versions of traditional processes such as milling, baking, salting, smoking, pickling, brewing and distilling.

What is consumed though is, in the trade's language, not just the steak but also the sizzle. Ultra-processed products must make the consumer feel good with tastes that are instant, constant and uniform. But to be very big business they must also make consumers get the impression that they live, belong and are potent and attractive in a wonderful world. That's where branding and promotion comes in.

Cadbury was taken over by Kraft in 2010. Hula Hoops were bought by Intersnack in 2012. Scottish and Newcastle went to Heineken in 2007. Sarson's was snapped up by Mizkan

Other companies and brands that are British no more (4) are Rowntree Macintosh and its iconic Kit Kat, taken over by Nestlé in 1988 for $US 4.5 billion; Cadbury's and its 'sexy' Wispa (above left); seized by US-headquartered Kraft in 2010 for $US 12 billion; and United Biscuits snacks including Hula Hoops (above right), bought by the German headquartered Interstate for around SÜS 600 million. Scottish & Newcastle with its 'no bollocks' brown ale (second row, left), went to Heineken and Carlsberg in 2008 for $US 12 billion in 2008. Culinary ingredients such as vinegar, and processed products still recognizable as food such as pickled onions, are worth much less. One sale has been of Sarson's, the vinegar manufacturer (classic advertisement second row, right) together with the Hayward's pickled onion business, taken over by Crosse and Blackwell, then Nestlé, then by Premier Foods, who sold them in 2012 to Japan-headquartered Mizkan for a mere $US 60 million.

Box 2

Pepsi. They are trying harder

As the world's biggest Big Snack business, overall PepsiCo is bigger than Coca-Cola, but it is less profitable. The branding of its main product has been scattered and indecisive, with (below) a total of 11 logos used over time. Its brand ranks way below Coke at #25 with a value of a mere $US 18.1 billion (5). In 2012 PepsiCo's revenue was $US 65.5 billion (similar to the gross domestic product of Ecuador and Croatia and more than that of Sri Lanka and Luxembourg), its assets $US 74.5 billion, and its gross profits $US 9.1 billion (8).

As from 2011 the PepsiCo chief executive Indra Nooyi decided to stop trying to project a healthy image with ultra-processed products claiming implausibly to be 'better for you' or 'good for you', and went back to the basics of 'fun for you', She created a President of Enjoyment, and committed $US 500-600 million to push Pepsi up the global power brand ratings (9). The new slogan is 'Live for Now', and the product is projected by entertainers with suitable skin colour and unisexy style who are themselves global power brands, such as Michael Jackson. In 2013 Pepsi hired Beyoncé for $US 50 million.

Michael Jacobson, director of the US Center for Science in the Public Interest, has written to Beyoncé saying 'You… are an inspiring model for millions of young people. Your image is one of success, health, talent, fitness and glamour. But by lending your name and image to PepsiCo, you are associating your positive attributes with a product that is quite literally sickening Americans' (10). And people all over the world.

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Status

Big Food Watch convenor Fabio Gomes writes: The *Big Food Watch* network includes leaders of public interest organisations and social movements, advised by UN and government officials, legislators, scientists, and other professionals. My thanks go to them all. Thanks also to Geoffrey Cannon as *WN* editor, who with others encouraged the creation of *Big Food Watch* in discussions during congresses held between 2009 and 2012 in São Paulo, Porto, Como, Seoul, Santiago, Rio de Janeiro and Havana.

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