

The Return of the Prodigal Brand

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Three cases of war forcing discontinuity and change onto a multinational brand are described. In each case the brand concerned was separated from its international counterpart through wartime disruption of business. The cases, describing Remy cognac and brandy, Coca-Cola and Fanta, and the beer brands 33 and 333 involve activities in Australia, France, Germany, Vietnam and the United States during and after the Second World War and the Vietnam conflict. They show some interesting similarities. In each case the brand, in surviving its difficulties, took on a life of its own and increased in strength. The separated brand meaning became clearly differentiated through changes in product, concept and perception; changes that are accentuated and accelerated in the pressure of wartime.

Brands change over time. Most often this is a gradual change in response to changes in marketplace conditions, such as customer demographics, fashion, or competitive action. Holt's research, grounded in social and cultural theory, has shown that particularly strong brands become supercharged with identity value over time – that is to say, develop a culture of their own (Holt, 2004). Woodside and Chebat (2001) provided empirical evidence of consumers' ability to resolve psychologically unbalanced states and achieve or maintain balance, in the case of an American Jewish family buying a German car despite memories of Germany's Nazi history. This is an extreme example of a transition in brand meaning over a relatively short period of history; an example of Foucault's (1969) discontinuity and rupture, in contrast to tradition. The phenomenon described here is that of brands that have been cast adrift through the sudden discontinuity and rupture of war and how the brands settle in the aftermath. The major case is of the importation of French cognac into Australia and the changes made by the Australian importer in response to a sudden discontinuity of supply. This case is supported by examples, similar in many respects but also with significant differences, of Coca-Cola's German business during the 1939-45 war and a colonial beer in Vietnam with multinational operations, nationalized by the victorious Communist regime in 1975 in that country but becoming independent in other parts of the world. In each case there are similarities to the Biblical tale of the return of the prodigal son. (No sexism is intended here; the brands of course have no gender but the masculine references from the Biblical tale have been retained for the sake of the metaphor.)

CASE STUDY: REMY MARTIN COGNAC AND BRANDY IN AUSTRALIA

Nathan and Wyeth was a partnership established in the early 20th century to sell and distribute the famous Remy Martin cognac products in Australia. The business grew and an office boy was appointed in 1933 (on the strength of his private school education and a firm handshake!) This man, Edwin W. W. Peatt, went on to become CEO of the firm and an officer of the Order of the British Empire; he has provided much of the historical information in this paper through personal interview in October 2004, together with research from a wine historian (Dunstan, 2001).

Discontinuity and rupture arose during the Second World War with the German occupation of France. Although the local German commander was very sympathetic to the Remy Martin product – indeed two years' worth of sales were "requisitioned" in only four months! (Remy, 2004) – there was no question of exports continuing from occupied France to Allied Australia. The sudden cessation of supply and communication caused severe problems for the Australian importer. As an interim measure, Australian-produced brandy was blended with the remaining stocks of imported Cognac in Melbourne. As time progressed and stocks of imported Cognac were depleted the proportion of local product gradually increased to 100%. Australian government regulation mandated a statement of the blend on the label, and even back then the word "cognac" had to be replaced with the word "brandy". The words being of similar length, it was possible to make this change relatively unobtrusively on the packaging, just as the product change was made subtly (although the change in product was made more gradually than the change in label). Market share increased, as the exotic French name "Remy Martin" was still used and "people drink the label, they don't drink the contents" (Peatt, 2004, p.8). The brand association with France remained, although the product, like all brandies available in the Australian market during the war, was local in origin. The bottle, too, had to change shape; the very characteristic Remy Martin bottle could not be exported to an Allied country from German-occupied France either and an Australian Government-standard brandy bottle had to be used instead. It was not possible for Nathan and Wyeth to communicate these content and packaging changes from Australia to Remy in France, let alone seek permission for

them, until the war was over. As soon as practicable after hostilities ceased, the Australians travelled to France, bringing with them a large sum of money which they had calculated and set aside as a percentage royalty on sales of Remy-branded product over the duration of supply disruption. The French were pleased with the unexpected income but the wartime arrangement could not of course continue. The decision was taken to recommence trade in proper Remy Martin cognac from France to Australia and market it in the traditional bottles, and also to continue sales of the successful Australian-sourced product with more appropriate naming, labeling and packaging. An innovative advertising campaign followed, showing brandy being poured from a war-standard bottle into a new design. The new bottle had the simple name of Remy but retained many design features of the previous packaging. This transition was successful and the two brands, the luxury imported cognac called Remy Martin and the local everyday brandy called Remy, dominated their markets for many years. The child brand, so unceremoniously separated from its parent in 1940, was by the mid-1950s a prodigal son returning to the fold. (And indeed the later history of the businesses had Remy taking over the Australian distributor.)

SOME OTHER PRODIGAL BRANDS

Coca-Cola and Fanta in Nazi Germany

There are strong parallels with the story of Coca-Cola in Germany during that same war. As documented by Pendergrast (1993), by 1941 chemists working for the German bottlers of Coke, Coca-Cola GmbH, had come up with a fruit-flavoured drink that "used whey, a cheese by-product, as well as apple fibre from cider presses... leftovers from leftovers" (Pendergrast, 1993, p. 227). A German employee created the name "Fanta", and this brand kept the German company going even after supplies of Coke itself ran out in 1942. As a result, at the end of the war the CEO of the German operation could telegraph an astonished Atlanta: "Coca-Cola GmbH still functioning. Send auditors." (Pendergrast, 1993, p. 229). Despite Coca-Cola GmbH's close contacts with the Nazi regime, the German business continued notwithstanding Eisenhower's de-Nazification policy. The Fanta brand it developed was eventually bought by the parent company in 1960 and marketed by Coca-Cola businesses across the postwar world, even including Israel, with a recent expansion in the United States (Coca-Cola, 2005). The prodigal son here is Coca-Cola GmbH; not only did it return after it had been given up for dead by its parent, it even brought with it successful offspring.

BGI, 33 and 333 beer in Vietnam

A somewhat contrasting tale emerges when the business environment is subject to overwhelming

government control. One of the first beers in Indochina was 33, brewed by the French-owned BGI at the Saigon Brewery in Vietnam since the early 1900s. It was popular with locals and GIs alike (Vietnam Investment Review, 1994). With the end of the war in 1975 and the imposition of a Communist regime there was discontinuity in management and ownership. In the process the brand gained a digit, becoming 333. In this case, though, the original owners of the brewery did not regain control when the discontinuity eased as Vietnam reopened its economic doors to the West. During this liberalization of the economy one part of the business and the BGI brand in Vietnam were sold to the Australian Foster's Brewing Group, but the Saigon Brewery and its 333 brand remained State-run, with various international collaborations, most recently with Anheuser-Busch (Beverage Daily, 2004). 33 beer is still marketed by French-owned BGI in its Francophone Africa markets, but its child, 333, has become independent of it and has completely replaced it in the Vietnamese market, in which it is again a leader (Vo, 2005). The prodigal son has returned and taken over from his parent. Alternatively, perhaps it could be seen to have been adopted by a new parent; depending on one's point of view towards the participants, it could also be seen as child abduction or a custodial parent denying access to a non-custodial one after a divorce.

It would be interesting to speculate on what would have happened to Coca-Cola in Germany had it not escaped such a fate by the narrowest of margins: in the closing stages of the war in 1945 the increasingly desperate Nazi regime was putting pressure on all businesses to distance themselves as far as possible from any Allied connections. The German general who was given this responsibility by Hitler was killed in an air raid just the night before a crucial meeting with Coca-Cola GmbH (Pendergrast 1993).

CONCLUSION

These cases show a common pattern of reaction when a strong brand is subject to sudden discontinuity and rupture. The cases described here show in different ways that, extending Holt (2004)'s theory of brands as cultural icons, the brand can take on a life of its own and not starve as an orphan; indeed it can return stronger than ever, as did the Biblical prodigal son. The separated brand meaning becomes distinctly differentiated through product, contextual and perceptual changes that are accentuated in the pressure of wartime.

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