CULTURAL BRAND EXTENSION

How can brands succeed in brand extension from a cultural branding viewpoint?

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Characters with spaces: 181.416 equivalent to 79,7 standard pages

Hand-in date: 07-04-2010

Executive summary

This thesis focuses on how three cultural branding theories compare to each other and to the more traditional brand essence philosophy. Furthermore the findings of this analysis form the foundation upon which the case of the Lego Group's brand extension into the world of consumer robotics – the Lego Mindstorms product line - will be analyzed.

The first part of the thesis is a discussion of the cultural branding theories of Grant McCracken, Douglas B. Holt and Claus Buhl. These theories oppose the principles of the brand essence philosophy as propagated by Jean-Noël Kapferer.

The cultural branding theories employ an 'outside-in' perspective on how companies performs branding, where the contextual and cultural environment plays a crucial role in deciding the success or failures of given branding ventures.

The brand essence theory on the other hand argues of an 'inside-out' attitude towards branding; focusing the brand holding company's marketing resources on repeating a specific brand identity to the consumers.

The second part of the thesis employs the principles of cultural branding to analyze the background and development of one of the Danish toy manufacturer the Lego Group's most successful brand extension; the Lego Mindstorms robotics toolset product line.

Initially launched as a close extension to the original Lego sets, the Lego Mindstorms ended up attracting adult robot hobbyists who saw the omnipresent Lego-brick and the included programmable brick as a perfect vehicle for establishing a standard in amateur robotics construction; making knowledge and robotics sharing far more accessible.

Furthermore the Lego Group's collaboration with MIT – the global powerhouse-university for robotics and artificial intelligence – legitimized the Lego Mindstorms as authentically rooted in the constructionist ethos adhered to by the robot hobbyists who demanded a tool to address their need for tangible outputs of creative, intangible inputs.

The Lego Mindstorms division had become exponents of the idea of constructionism through a steadfast director insisting on involving the most zealous robot hobbyists in the development of the new generation of Lego Mindstorms launched in 2006.

Based on the analysis, it would seem that the insiders of an ethos comparable to that of a company's can be engaged in product development and brand extension, where they – apart from their technical expertise on a given product market – can supply authenticity and legitimize the company's claim of truly adhering to a relevant ethos.

1. Introduction

This Master's thesis marks the author's conclusion of the cand.merc. International Marketing and Management study at Copenhagen Business School. The thesis is based on the cultural branding theories of Grant McCracken, Douglas B. Holt and Claus Buhl.

The three theories are especially intriguing as they focus on the cultural context within which branding takes place; a dimension much neglected in the more traditional branding and marketing communication classes attended by yours truly.

These classes focused much on how branding takes place as a corporate exercise in seeking out new ways of controlling consumer behaviour and imprinting specific brand essences unto the consumers; very much an inside-out perspective of the marketing discipline of branding.

The cultural branding viewpoint is on the other hand occupied with how the contextual and cultural environment can influence consumer behaviour in regards to the marketing of branded goods.

Indeed, one of the points of criticism of the cultural branding theories as presented by Grant McCracken and Douglas B. Holt have been that they put too much emphasis on to brand's context and that the principles of their theories are somewhat difficult to actually employ in 'real-life' branding.

Enter Claus Buhl; the Danish marketing consultant who in his theory propagates for increased consumer involvement in branding by bluntly stating that the perception of a brand holding company dictating the brand essence to passive consumers must simply be abandoned.

Buhl even argues that while companies might own the products, the brand is entirely defined by how consumers integrate the brands in their lives - and that brands must express their basic ideas through discontinuous product development and brand extension.

The lack of focus on the product dimension of the brand in the theories of McCracken and Holt combined with the integrated view of the same dimension by Buhl, made an interesting case to analyse how these cultural theories compare to each other and to the more traditional brand perspective in regards to brand extension offered by one of the central propagators of the brand essence theory; Jean-Noël Kapferer.

The thesis will conclude with an analysis based on the cultural branding theories of the Lego Group's brand extension into the world of consumer robotics with its launch of the Lego Mindstorms Robotics Invention System product line in the late 1990's and the successor, the Lego Mindstorms NXT, in 2006.

This analysis will disclose how the principles of the cultural branding theories can be actively adhered to in order to achieve successful brand extensions from a cultural branding viewpoint.

2. Problem identification

According to Holt the most powerful brands have been successful in targeting the cultural contradictions in Western societies. These brands thus achieve an iconic status legitimized by the insiders; the marginalized subcultures that are in opposition to the mainstream ideology. If the targeted myth catches on; brand followers will see the brand as a tool to connect with the ethos of the mythical world of insiders and feeders – often the majority of consumers – will utilize the brand as means to achieve social status.

Thus it is interesting that given that brands – in order to achieve iconic status – need to 'compete' on myth targeting and not products then, basically, product development would not take place; instead it would be some kind of myth development. Of course this is not reasonable as product development is elementary for any brands – no matter how well e.g. Sony had branded its Betamax-system the physical product attributes of the VHS would most likely have outcompeted it; regardless of the branding myth.

But is it possible for brands to achieve iconic status in spite of non-revolutionizing physical attributes? Take the example of Apple. A small competitor to the PC-market, the launch of the Apple computer was targeted at 'the individuals of the creative class' (as seen in Apple's '1984' commercial) in dire opposition to the anonymous IBM-boxes used by the grey masses of businessmen. This myth was then projected unto the portable music player, the Apple Ipod, as a creative lifestyle accessory and was a massive success; leveraging the creative class-myth of Apple to other products such as mobile phones, computer software, etc. resulting in Apple currently being one of the most celebrated brands today; enjoying soaring sales.

McCracken argues that meaning is transferred from a culturally constituted world to a branded good to a consumer by the advertising/fashion system and the application of certain rituals. Thus the culturally constituted world can be compared to Holt's marginalized subcultures. The meaning transfer rituals are carried out by the brand followers as insiders are the ones legitimizing the meaning transfer from world to brand and feeders are far more superficial.

Returning to the case of brand extensions; how do cultural branding theories fit with brand extensions?

Is it possible to extend a brand through the application of the principles of the cultural branding theories?

And how does this compare to the previously introduced brand essence theory?

If iconic brands achieve their status as icons by targeting a relevant myth, brand extension/development would not take place. But brand extensions do take place and this makes it

interesting to investigate how cultural branding theories can applied in order to successfully extend a brand.

In order to do so, the lack of focus on the product dimension of a brand makes it advantageous to include the theory of Claus Buhl who has integrated the product dimension of the brand in his theory on how companies can include the environment in their branding efforts.

2.1 Problem formulation

As identified in the previous section, the theories of McCracken and Holt does not focus specifically on how to develop the physical manifestation of the brand; the product. Therefore the propositions of Buhl's theory must also be applied in the thesis to disclose how brand extensions can take place.

With this in mind, the following questions will serve as the thesis' main research question and sub research questions:

Main research question

How can brands succeed in brand extension from a cultural branding viewpoint?

In order to fully answer the main research question, the following two sub research questions have been devised. They will also serve as a general guideline of the overall structure of the thesis.

Sub research questions

How do the cultural branding theories compare to each other and to the more traditional brand extension theory?

How can cultural branding principles be applied in order to successfully extend brands?

In order to answer these questions the theories of McCracken and Holt will be introduced and compared to see how they supplement each other.

Then the brand essence theory and its propositions on brand extension will be introduced and compared with the cultural branding theories; including Buhl's theory.

Finally the case of the Lego Mindstorms robotics toolset will be analysed from a cultural branding viewpoint to see how the theoretical, cultural principles can explain the development of this successful brand extension.

2.2 Delimitation

The theoretical first part of the thesis will focus primarily on a comparison and analysis of the cultural theories of McCracken, Holt and Buhl and the brand essence theory as propagated by Kapferer.

Both McCracken and Holt focus mainly on a North American context, whereas Buhl and Kapferer have a more international scope in their theories.

However this does not present a major problem for this thesis, as both Kapferer and Buhl include several examples of North American branding cases in their theories.

The case study of the Lego Mindstorms in the second part of the thesis will be limited to North America as it constitutes the by far largest commercial market of the product line.

Thus the Lego Mindstorms – despite of being marketed by a Danish corporation – was first launched in North America and is not offered in a Danish language version; but rather an English language version (http://clausthorhauge.dk/2006/08/15/lego-leger-med-open-source-for-alvor/, section 35).

Furthermore the research institutions and the consumers groups involved in the development of the Lego Mindstorms were mainly North American.

The Lego Group commands a vast range of toy products – at the moment app. 30 different product lines are Lego branded (http://www.lego.com/en-us/products/Default.aspx) – but the included case study will focus solely on the Lego Mindstorms product line and the Lego Group which will denote the corporate entity of the Lego Group.

3. Methodology

The thesis can be divided into two overall sections; a theoretical description and comparison of the three cultural branding theories and a case study of the robotics construction set Lego Mindstorms which will be analysed by applying the principles of the previously analysed theories. The purpose of this structure is to disclose how brands can succeed in brand extension from a cultural viewpoint. The thesis will be based on exploratory, qualitative research in its quest to answer the research question.

First, it will seek to disclose the similarities and discrepancies of the cultural branding theories of McCracken and Holt – and how these theories can supplement and enhance each other. Also the inclusion of the theory of the learning brand by Buhl will be introduced and analysed in comparison to the theories of McCracken and Holt – this due to the fact that Buhl in his work have focused on

how to actually incorporate the cultural factors of semiotics into the field of branding and marketing whereas McCracken and Holt apply a more retrospective approach.

Thus Buhl's theory is more 'action-oriented'; offering several tools to perform successful, cultural branding. The three cultural branding theories will also be compared to the more traditional branding theory of Kapferer to disclose how the three cultural branding theories differ from the traditional brand extension view.

Second, the case of the Lego Group's brand extension into the world of consumer robotics will be analysed. The background of the original Lego Mindstorms Robotics Invention System will be presented together with an introduction to the actual product development of the aforementioned product and its successor, the Lego Mindstorms NXT. This will then be analysed in order to see how this case reflect the principles of cultural branding and how the Lego Group carried out this brand extension.

The lesson learned from the case study will then be discussed with the cultural branding principles in order to answer the research question. An overview of the general structure of the thesis is presented in appendix 1.

3.1 Utilization and classification of data

The case of the Lego Mindstorms will be analysed through the application of secondary data sources such as process data and research data (Andersen, 2005, p. 158). The process data sources include official press releases of the Lego Group and articles on the Lego Mindstorms and general robotics community. The research data is primarily the scientific paper 'Lego Mindstorms: The structure of an engineering (r)evolution' which is based on personal interviews with many of the architects of the initial Lego Group - ELG/MIT cooperation (please see section 13 for an explanation of the ELG/MIT abbreviation).

The secondary data is by its very definition originally intended for a different purpose than being utilized as part of a case study in this master thesis. Therefore the five factors of how to evaluate information sources (purpose, scope, authority, audience and format. From Blumberg et al., 2005, p. 344 – 346) have been applied and considered when selecting which data sources to include in the project.

Much of the data on the Lego Mindstorms have been acquired through various Internet websites as the original sources are Internet-based.

Thus it have been prioritized that claims of the included data sources have been validated by supplementing materials when this have been possible.

For instance, the points and proclamations of the official Lego Group press statements utilized in the paper have been compared to the points made by other stakeholders in the interviews conducted by e.g. www.wired.com and vice versa. Several of these included secondary data sources contain extensive, in-depth personal interviews with key players of the development of Lego Mindstorms; including the director Søren Lund, professors at the ELG/MIT and the most influential members of the Lego Mindstorms communities.

3.2 Choice of theories

The three cultural theories that this paper discusses are 'Culture and consumption' by McCracken, 'Cultural branding' by Holt and 'The learning brand' by Buhl. In short, Holt argues that the most successful identity brands target a cultural contradiction in society in their market communications, whereas McCracken describes how meaning is transferred from culturally constituted worlds through the consumer goods to the consumer.

Buhl on the other hand focuses on how brands can express their basic idea through the three dimensions (communication, behaviour and product) that constitutes a brand by accepting that while a company might legally be the official brand holder, consumers are the de facto owners of the brand.

Also the traditional brand essence theory of Jean-Noël Kapferer will be compared to the aforementioned cultural branding theories.

The following introduction and comparison of the three theories is ventured upon with the aim of suggesting that the principles of these theories can actually supplement each other and provide a valuable tool for the analysis of the success of the brand extension of the Lego Mindstorms product line.

4. Grant McCracken: Culture and consumption

Holding a Ph.D. in cultural anthropology from the University of Chicago, Grant McCracken's branding theories are based in a strikingly different theoretical paradigm than the traditional theories on marketing and branding. McCracken argues that any given consumer good has a special added value apart from its obvious utilitarian value – a value which main ability is to obtain and pass-on cultural meaning (McCracken, 1986, p. 71). The consumer good obtains cultural meaning from the culturally constituted world and then passes this meaning to the consumer:

Culturally constituted world →1→ Consumer good →2→ Consumer

→1→ = Advertisements and/or the fashion system.

→2→ = Exchange ritual, possession ritual, grooming ritual, divestment ritual.

The culturally constituted world is the world view as it culturally presents itself to the individual – i.e. the way in which a given culture influence the individual's perception of events and the way the culture acts as a guidance vehicle for the individual's current and future activities.

Basically the world is given meaning through culture and this meaning is made up of cultural categories and cultural principles. The aforementioned category is the basic division of otherwise difficult-to-define phenomena such as time (from milliseconds to millennia), nature (the world of flora and fauna), and humanity (gender, age, work, status and socio-economic class) (McCracken, 1986, p. 72).

Any culture has its own unique definitions of the divisional categories which by its very nature influences a given individual's view of the surrounding world. In other words a given culture creates the world by adding its own meaning. Furthermore McCracken argues that the present cultural categories in North America are unique in the sense that they – as a consequence of the country's tribute to individualism – are both difficult to define, constantly changing and subject to individual manipulation. Examples of this are teenagers acting as adults, workers dressed as white collar-employees, elderly living as youngsters, etc. Cultural categories are basically the conceptual base which divide and relates concepts. The cultural categories have no physical appearance; this is given to them by the objectification of the cultural categories in consumer goods.

Apart from the cultural categories the world is given meaning through the cultural principles. These principles are basically the determinants that decide how the cultural, categorical division of phenomena should be carried out – e.g. the division between masculine and feminine clothes (McCracken, 1986, p. 73 – 74). These principles are likewise objectified in consumer goods simultaneously with the cultural categories and thereby consumer goods are "… both the creations and the creators of the culturally constitutes world." (McCracken, 1986, p. 74, l. 19-20).

4.1 World to good meaning transfer

The transfer of meaning from the culturally constituted world to a given consumer good takes place through advertising and the fashion system (McCracken, 1986, p. 74). Advertisements add meaning to the consumer good by joining the advertised product with a representative of the culturally constituted world; thereby creating an equation between the product and the culturally constituted world in the minds of the consumers.

In order to enhance the chances of this 'equation creation' between the symbolic properties of the product and the culturally constituted world, the advertisement agency's primary tasks are to select the best possible representation of the culturally constituted world and through creative advertising

to create a "… metaphoric identification of sameness by the would-be consumer. World and good must seem to enjoy a special harmony – must be seen to go together." (McCracken, 1986, p. 75, l. 20-23).

Besides advertising consumer goods can also be infused with meaning through the fashion system by the application of three special techniques: By placing the new fashion products (clothes, furniture, etc.) with representatives of the culturally constituted world (similar to that of advertising) and when opinion leaders' (traditionally the cultural elite but also very much in the form of popular musicians, actors, athletes, etc.) cultural innovations 'trickle' down through the social classes to 'the man/woman on the floor' that imitates his/her idol.

Finally, the fashion system is an important facilitator for innovative cultural meaning which is s a fundamental part of the western world's dynamic – this is best seen in how marginalized groups in the society influence and inspire the cultural mainstream's categories and principles (McCracken mentions marginalized groups such as homosexuals, hippies and punkers – McCracken, 1986, p. 76-77).

Those in the fashion system responsible for the meaning transfer between the culturally constituted world and the consumer good are designers and journalists – the designers create the products while the journalists act as both gate keepers in the sense that they are involved in the process of classifying innovative cultural tendencies as more or less significant (which affects the work of the designers as their product designs are the only way they can express a given cultural meaning) and participate in the process of transferring cultural meaning inherent in new consumer goods to the consumers (McCracken, 1985, p. 77).

4.2 Good to consumer meaning transfer

The last step of the transfer of meaning from the culturally constituted world to the consumer takes its starting point in four general rituals that the consumer carries out dependent on the context of the meaning transfer (McCracken, 1986, p. 78-80).

The exchange ritual is what happens at e.g. birthdays and Christmas where presents – and thereby possible inherent cultural meaning – are exchanged based on the gift-givers intention to transfer a given cultural meaning inherent in the gift to the gift receiver.

The possession ritual takes place when the consumers of a given product take care for the product – e.g. by cleaning the new car, arrange housewarming for friends and family, etc. in order to transfer the inherent cultural meanings of the product/good to themselves. Furthermore the consumer will seek to personalize (customize) the consumer good in order to create an individual reflection of the consumer's personality.

Grooming rituals take place in the cases of short term cultural meaning – McCracken mentions the 'going out' ritual where the consumer will 'dress up' in order to best transfer the inherent cultural meanings of their consumer goods to themselves as inherent personal characteristics. Another example is when consumers invest (excessive amounts of) energy and resources on the caretaking of a given consumer good – e.g. the special relationship between young men and their cars to such an extent that "They [the young men] do, sometimes, have difficulty telling the difference between the "who" of the self and the "what" of the object [car]." (McCracken, 2005, p. 52, l. 12-13). The last ritual – the divestment ritual – is connected to the grooming ritual where the boundary between the consumer and the consumer good is blurry. This has the consequence that the new owners of the consumer good wishes to remove the previous owners' transferred meaning from the consumer good (e.g. by renovating a former occupied building) and that the previous owners of the consumer good wishes to remove their transferred meaning from the good before it is sold or thrown out.

5. Douglas B. Holt: Cultural branding

Douglas B. Holt argues that successful brands are brands that have succeeded in communicating their identity value to the consumers who then utilizes this value as a high value input in creating their own identities (Holt, 2004, p. 3). Holt also argues that the most successful of these brands can be characterized as iconic brands that deliver exceptional identity value.

Iconic brands are often found in the identity creating product categories where superior physical product attributes are not unique for longer periods of time before they are imitated by competitors and eventually improved upon. What lasts – and what sets apart iconic brands from other brands – are not these physical attributes but, on the contrary, the brand myths that such iconic brands successfully create.

Working through the historical market communication efforts by six iconic brands, Holt concludes that they all follow a range of principles that summarized create the cultural branding model.

Iconic brands address a given nation's collective anxieties and hopes that are an accumulation of the anxieties and hopes that the individual citizen experiences in his/her quest for identity creation. The market communication are based on campaigns that are based in the conflicting opposites between national ideologies and 'average Joe's' experienced reality – they create identity myths originating from populist worlds while focusing on the pre-mentioned conflict of ideology and daily life.

Identity myths are thereby facilitating the identity creation of the individual (and thereby also the nation) despite the personal insecurity and anxiety of the consequences of the conflict between the national identity and the individual's daily life.

Over time the identity myth will become an integrated part of an iconic brand and by utilizing such a brand, the consumer takes active part in the identity myth and thereby creates his/her own identity (Holt, 2004, p. 8).

5.1 The meaning creating populist world

As previously mentioned, identity myths are based in populist worlds – often marginalized worlds characterized by their inhabitants sharing a special way of life (ethos) which creates the foundation for all their actions. These populist worlds form the basis of a credible identity myth firmly based in the pre-mentioned ethos. In this aspect it is important to stress that as the national ideologies change the identity myths are likewise affected which is why it is of paramount importance that iconic brands are able to be at the same pace – if not faster – as the dynamic hopes in the society towards new identity creating projects (Holt, 2004, p. 9).

The market communication of iconic brands are characterized by few, legendary campaigns contributing to the myth creation and that the identity myths create enough value for the individual consumer that the identity value ultimately enhances the consumers' experienced quality of the advertised product. This allows for iconic brands to deliver exceptional identity value to the consumers and thereby to create for themselves a dominant market position.

According to Holt, identity brands compete on myth markets and not physical product attributes. Success or failure is defined as how successful different identity brands and their identity myths are in addressing a cultural opposition in the society. This is hampered by the dynamics of the society that causes significant shifts in the general national ideology. Holt argues that since the Second World War several national ideologies has existed in North America and that iconic brands have successfully identified these ideologies as well as their opposing populist worlds; thereby creating identity myths based in populist worlds. Below follows the identity myths – from immediate post-World War Two to present time – created by the soft drink company Mountain Dew.

1945-65: National ideology: Scientific bureaucracy. Myth market: Hillbilly.

As a consequence of the Second World War America had entered the mass-production society and the rational conformity and standardization became the new cultural ideals (specific results of this period in time was the build-up and spread of vast suburbs and a massive increase in the socioeconomic middleclass). But the conform way of life in Suburbia was confronted with the harsh

and primitive daily life which characterized parts of the rural population in the southern parts of America. This opposition became a source of much public debate and interest in America and was subsequently competently exploited by the soft drink company Mountain Dew (named after a South American euphemism for moonshine liqueur) while launching a range of campaigns featuring hillbillies as the main characters; thereby creating an identity myth based in a very actual populist world.

1965-80: Mountain Dew's hillbilly identity myth becomes irrelevant as the dawn of the hippie movement sets in. Furthermore people began associating hillbillies with racism and sexism which spelled the ending of the popularity of the hillbilly myth.

1980-90: National ideology: Wall Street frontier. Myth market: Redneck.
When Ronald Reagan in the 1980's was elected the 40th president of the United States it marked the beginning of a massive economic and military rearmament. In order to be able to compete with the then-rapidly growing Japanese economy Reagan praised the cowboy of the Western frontier as an example of the mentality that American businessmen should adopt in order to regain the American economic strength; aggressiveness and individualism (Holt, 2004, p. 46). The narrow focus on improving the revenues and earnings of the companies was hard on the middle class. Even though Reagan and influential corporate managers encouraged the unemployed to show patriotism, the affected workers had a hard time paying tribute to the yuppies (young urban professionals) for being the new, courageous cowboys. Therefore the rednecks (evolved from the previous hillbillies) came to symbolize the average American's resistance against the financial world's yuppie-cowboys. This cultural conflict was yet again skilfully utilized by Mountain Dew when they launched campaigns deeply rooted in the actual populist world of rednecks.

1990-??: National ideology: Free-Agent frontier. Myth market: Slacker.
Following a series of financial scandals in the late 1980's and the de-glorification of the cowboys of Wall Street (expertly depicted in the Oliver Stone-movie Wall Street where the financial cowboy Gordon Gekko concludes: "The point is, ladies and gentleman, that greed, for lack of a better word, is good. Greed is right, greed works." (www.imdb.com/title/tt0094291/quotes, quote no. 15) the Mountain Dew redneck myth lost its opposing national ideology. In stead the national ideology now paid tribute to the Free Agent in the early 1990's where individual performance was to define the individual's career and income (Holt, 2004, p. 50). But increasing outsourcing and restructuring schemes aided the growing mismatch between the general national ideology and the experienced

daily life of the middle class where not even graduate degrees could be granted 'job-guarantees'. This resulted in the myth of the immature young people – so-called slackers – who sat aside their professional careers in order to distance themselves from the 'professional rat race'. Instead they choose to focus on homemade experiences (an example of this DIY – do it yourself – culture is the replacement of the grandiose, symphonic stadium rock with the far more simple, 'dirtier' sound of grunge rock as performed by the likes of Soundgarden, Nirvana, etc.) and alternative sports. Yet again Mountain Dew adapted to this change and through the 1990's the company launched campaigns dealing with such slackers' experiences in extreme alternative sports (skateboarding, hang gliding, etc.).

5.2 The different consumers of iconic brands

Holt argues that in order to 'hit' the correct national ideological opposition at the right time iconic brands must select the relevant myth in the correct manner. This is done through the cultural brief which consist of three elements: Myth treatment (which basically depicts the role the brand should play in the culture – needless to say this needs to be in compliance with the cultural oppositions that has been identified), populist authenticity which means that the brand's identity myth must be solidly anchored in the populist world by

> 1. Literacy: Understanding and using the special jargon and unique cultural expressions that characterize a given populist world.
>
> 2. Fidelity: Understanding and defending the ethos of the populist world.

Lastly the cultural brief must exhibit a charismatic aesthetic (which is a charismatic market communication that represents the values of the populist world) towards the consumers (Holt, 2004, p.65).

Furthermore Holt divides brands in planned populism and organizational populism where the first mentioned are brands with identity myths based in populist world but where the companies themselves are not rooted in the populist world. Organizational populism brands are brands whose companies are based in the populist world and therefore through their identity myths not only advance the populist world's ethos but also the companies' basic ethos.

Adding to the power of attraction of iconic brands Holt analyses how the consumers of iconic brands can be divided into three categories (Holt, 2004, p. 140 – 149:

- Insiders (quantitative inferior compared to followers but nonetheless an extremely important part of the consumer base as they are the only consumers who are part of the

populist world and thereby the de facto suppliers of legitimacy to the brands identity myth).

- Followers (consumers that identify themselves heavily with the brands identity myth. They constitute what Holt describes as the nucleus of the consumer base of the brand (Holt, 2004, p. 140)).

- Feeders (usually the quantitatively largest consumer group of the three but also the least brand loyal. They do not whole-heartedly pay allegiance to the brands identity myth – instead they see the brand as a vehicle for enhanced socialization or as a status symbol).

Together the three groups make up the consumers of the iconic brand. Due to the social community/society that consists of the consumers of iconic brands, these brands are generally enjoying high levels of customer loyalty. This valuable loyalty can be severely weakened if a critical mass of followers feels that the brand no longer addresses a relevant cultural contradiction (Holt, 2004, p. 150).

6. Culture, consumption and branding

Basically the theories of McCracken and Holt complement each other in that they both recognize and emphasize the influence of culture on how brands behave. But they differ from each other as McCracken focuses on meaning transfer from the culturally constituted world through a given consumer good to the consumer, whereas Holt focuses on how iconic brands successfully have utilized cultural oppositions in order to enhance their value.

The populist world of Holt can be seen as an uniquely exclusive culturally constituted world where the populist world's ethos (based on certain cultural categories and principles) adds meaning to the insiders of the populist world. According to Holt a given brand with iconic ambitions should seek to utilize the oppositions that exist between the national ideology and the average consumers' experienced realities by creating identity myths that the consumers can create their own identities with.

In other words, a mismatch exists between the national ideology's cultural categories and principles and those of the consumers which causes the consumers to seek inspiration to create meaning in their 'daily lives' and to create their identities through identity myths.

Therefore it is also paramount to distinguish between the types of consumers; insiders, followers and feeders – followers subscribe wholeheartedly to the brand's identity myth based in the unadulterated populist world inhabited by insiders. Feeders on the other hand are far less loyal and much more interested in temporarily identifying with the brand; thus neglecting to create their identity based on the brand's populist world.

The theories of McCracken and Holt differ at a critical point; McCracken argues that it is a job primarily for the advertising agency to define: "… the representation of the culturally constituted world… [and that]… the [art] director is free to deliver the desired symbolic properties in any one of a nearly infinite number of ways." (McCracken, 1986, p. 75, cl. 1, l. 1 – 11).

This is in strict opposition to the idea of Holt who suggests that brand managers should be 're-schooled' to cultural analysts in order to properly identify national ideologies and potential myth markets (the populist worlds) and subsequently commercialize this cultural opposition.

It is interesting to note that McCracken – seeing culture as a decisive factor in the world of branding – makes it the job of the individual art director – and not the brand manager of a company – to decide how a given branding campaign should be executed and which cultural categories and principles (the ethos) that are to be incorporated as elements from the pure culturally constituted world (the populist world) in a given campaign. This opposition between the theories of McCracken and Holt springs from the fact that the theory of Holt is based on the existence of a national ideology that spawns subcultures in opposition to the national ideology whereas McCracken argues that it is the marginalized groups in society with radically differing cultural categories and principles that drive the cultural dynamics in the society.

However it is arguable that the premise for the very existence of radically different, marginalized groups in the society is the existence of a general national culture/ideology to which these groups are opposed to.

Nonetheless it can be discussed just how strong and dominant the general societal ideology is if the radical subcultural groups can affect it. This is explained by the arguments of McCracken of the basic dynamics in Western, so-called 'hot societies' which are "… always subject to constant and thoroughgoing change. […] Western societies willingly accept, indeed encourage, the radical changes that result from deliberate human effort…" (McCracken, 1986, p. 76, cl. 2, l. 20-21 and l. 24-26) and by Holt's arguments concerning the consumers' dynamic identity creating projects (Holt, 2004, p. 9). Therefore a summarisation of the theories of McCracken and Holt could be as follows:

A general societal ideology is challenged by untainted culturally constituted worlds (populist worlds inhabited by insiders) as a result of the mismatch between the ideology and the 'daily lives' of the

average citizen/consumer. Iconic brands address this mismatch and – based on the legitimacy provided by the populist insiders – advocate the alternative ethos through identity myths. Followers appreciate the brand's identity myth as a plausible response to the experienced cultural mismatch and as a credible addition to the populist world. This results in a transfer of cultural meaning from the populist world to the follower, who – through the application of different rituals – completes the final transfer of meaning from the populist world through the brand to him-/herself. As the populist world attracts more followers the feeders start to pay interest – temporarily – in the brand because of the social and status wise aspects that the brand – through its identity myth – has created for the followers.

7. Deriving a joint McCracken and Holt cultural branding model

As previously mentioned the theories of McCracken and Holt complement each other in more ways than one. Both theories argue that in order for brands to gain a crucial competitive advantage such as enhanced brand value – i.e. to become icons – a brand must be seen as authentically rooted in a relevant subculture (McCracken, 1986, p. 74 and Holt, 2004, p. 64).

This authenticity is provided by the culturally constituted world of McCracken either when advertising agencies successfully link the advertised brand and the values of the chosen culturally constituted world. Or when opinion leaders in the fashion system are linked with a given brand which causes a 'trickle-down-effect' as these "… distant opinion leaders are sources of meaning for individuals of lesser standing. In fact, it has been suggested that the innovation of meaning is prompted by the imitative appropriations of those of low standing." (McCracken, 1986, p. 76).

Crucial in aiding the meaning transfer process from the populist world to the brand, Holt argues that the brand must compose a cultural brief which – as earlier stated – consists of a myth treatment, populist authenticity and a charismatic aesthetic (Holt, 2004, p. 64 – 65).

Deciding on a given brand's myth treatment is to be a joint effort between the brand manager(s) and the advertising agency as it is crucial that the brand manager must be certain that the "… outlined story [of the advertising agency] addresses opportune cultural contradictions. Otherwise, they [the brand managers] necessarily surrender responsibility for the brand's strategy to other organizations." (Holt, 2004, p 65).

In this regard McCracken is somewhat less certain in regards to the role of the brand manager – he argues that the involvement of the client in the advertising agency's decisions in regards to the brand's properties (that is; which meaning the good should be infused with from the culturally constituted word) "… sometimes results in a period of complicated discourse between client [the

brand manager] and director [of the advertising agency] where the parties alternately lead and follow one another into a sharpened appreciation of the properties sought for the consumer good." (McCracken, 1986, p. 75, cl. 1, l. 17 – 21).

However McCracken seems to be putting much of the responsibility of the brand management over to the advertising agency which opposes Holt's idea of empowering brand managers to become cultural analysts.

But McCracken also adds that brand managers sometimes supply advertising agencies with the properties sought for the brand based on marketing research and advice (McCracken, 1986, p. 75) which eases the burden of the advertising agency and freeing resources for creating successful meaning transferring advertisements. This implies that the more prepared the brand manager is in regards to having identified opportune cultural contradictions, the more the advertising agency can focus on it's creative strengths – both McCracken and Holt agrees that execution of the creative ideas in the market communications/advertisements are best carried out by the advertising agency. Thus the resulting cultural positioning statement – i.e. the cultural brief – must be co-authored by both the brand manager(s) and the advertising agency (Holt, 2004, p. 64) in order to enhance the chances of successfully transferring the desired meanings from the 'culturally constituted populist world' to the brand in question.

Furthermore the brand's cultural brief must exhibit a populist authenticity and charismatic aesthetic in order to successfully linking the values of the populist world with the brand.

7.1 Meaning transfer from the culturally constituted populist world to the iconic brand

As previously stated the culturally constituted world of McCracken and the populist world of Holt can be seen as comparable constructs – this implies that the opinion leaders of McCracken and the insiders of the populist world of Holt also can be seen as akin. Holt actually says that "Insiders act as opinion leaders, positioned to make authoritative judgements as to whether the brand really has populist chops or is a mere dabbler faking it to make a buck." (Holt, 2004, p. 147, l. 19 – 21).

Thus the meaning transfer from the culturally constituted populist world to a given brand is dependent on an authentic and aesthetic cultural brief composed in cooperation between the brand manager(s) and the advertising agency – this correlation is seen in figure 7.1.

Figure 7.1: The relationship between the iconic brand and the insiders

Iconic brand

World to good meaning transfer via. cultural brief by advertising and/or fashion system

Insiders

Culturally constituted populist world
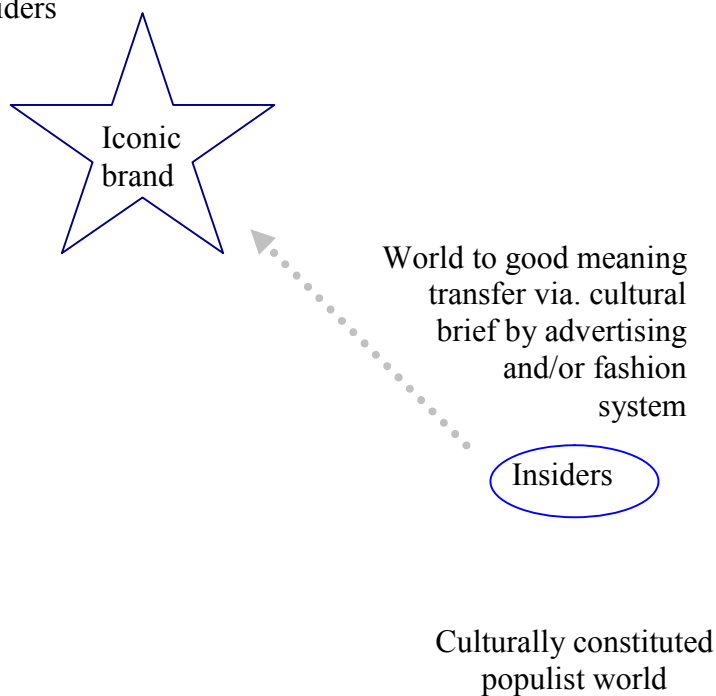
7.2 Followers are the iconic brand's nucleus

Having established the joint argumentation of McCracken and Holt in regards to the importance of the mythical properties and cultural meaning inherent in the culturally constituted populist world and the subsequent meaning transfer from world to (branded) good, the next step in the construction of a joint cultural branding model is that of purveying the transferred meaning from the brand to the consumers. Holt argues that consumers of a given brand can be divided into three categories; each consumer category having its own motivations for brand consumption.

As previously discussed the insiders of the culturally constituted populist world are more important to the brand in regards to their qualitative aspects – such as providing a brand with legitimacy – than their quantitative characteristics. Indeed Holt argues that insiders make up less than 10 percent of the American sports channel ESBN's audience (Holt, 2004, p. 143).

The 'heavy users' in Holt's universe are the brand followers, who – depending on the view of the insiders – either accept or reject a brand's attempt to act as a vehicle for meaning transfer from the culturally constituted populist world to the followers.

McCracken argues that in order for consumers to complete the transfer of meaning from good to themselves, consumers can perform a range of different rituals – depending on the context of the meaning transfer as described elsewhere in this thesis – in order to fully obtain the meaning inherent in a given brand.

Holt argues that followers are "… the nucleus of the icon's [the iconic brand's] customer base, for they find the greatest value in the myth." (Holt, 2004, p. 140, l. 11 – 12) – that is; the followers are the consumers who subscribe to the iconic brand's proposition that a cultural contradiction exists between a given national ideology and the de facto societal reality. Their motivation for their relationship with an iconic brand is that the brand provides a credible link to the ethos of the mythical world.

This makes it credible to argue that of the brand's entire consumer base, the followers are the ones most likely to perform the meaning transfer rituals advocated by McCracken (McCracken, 1986, p. 78 – 80) as they are motivated by the mythical world's relevance in regards to their own experienced reality.

The main difference between the insiders and the followers of an iconic brand is that insiders are situated in the culturally constituted populist world – in other the words they are 'living the myth'. This makes for the insiders being far less dependent on the brand – even holding the brand in "… considerably less esteem than do followers, partly because the brand competes with them for leadership within the populist world." (Holt, 2004, p. 143, l. 5 – 7).

The relationship between an iconic brand and its followers can be seen in figure 7.2.

Figure 7.2: The relationship between the iconic brand, the insiders and the followers
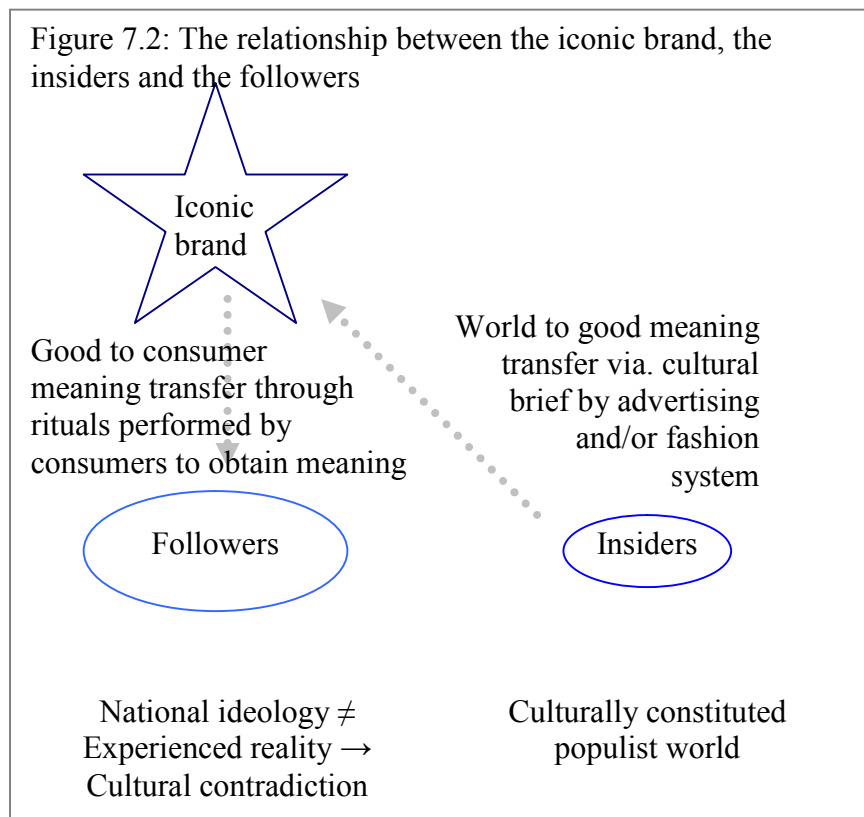
7.3 Feeders: The most and least important consumers of an iconic brand

The third and final consumer category is the feeders. These consumers often constitute the majority of an iconic brand's consumer base. What differentiates this consumer group from the followers and insiders is that the feeders do not subscribe wholeheartedly to the values and ethos propagated by the iconic brand through its identity myth (Holt, 2004, p. 147).

On the contrary, feeders are motivated by the iconic brand's ability as a brand magnet – that is; if enough people subscribe to the brand's myth, feeders are attracted – in opposition to the motivations of the followers who subscribe to the experienced mismatch between the national ideology and their experienced reality.

They are "Attracted to the status and social ties that the brand produces, they [the feeders] use the brand as a vehicle to build social solidarity with friends and colleagues, as an interaction lubricant, and as a status symbol" (Holt, 2004, p. 147, l. 26 – 29).

Based on this quote by Holt it is doubtful that the good to consumer rituals – as advocated by McCracken – performed by followers are equally performed by feeders as they – as previously mentioned – do not seek to align themselves with the culturally constituted world; rather they are motivated by the social and status wise aspects that an iconic brand offer.

It is plausible to state that if the brand's advocated myth aligns with a consumer's experienced reality then the chances of the consumer becoming a follower by performing any of the four meaning transfer rituals of McCracken is increased. But the case with feeders is that they do not align themselves with the myth propagated by the brand and thus they do not have any need for transferring the mythical values of the brand to themselves. The relationship between the feeders, the followers, the insiders and the iconic brand is depicted in figure 7.3.

Figure 7.3: The relationship between the iconic brand, the insiders, the followers and the feeders

Social and status
transfer

Iconic
brand

World to good meaning
transfer via. cultural
brief by advertising
and/or fashion
system

Good to consumer
meaning transfer through
rituals performed by
consumers to obtain meaning

Feeders

Followers

Insiders

Status and social ties.
Follow trends.

National ideology $\neq$
Experienced reality $\rightarrow$
Contradiction

Culturally constituted
populist world

The dotted left brace denotes the fact that feeders do not necessarily add or deduct meaning – as do insiders and followers – to the brand's myth. Feeders choose the iconic brand because followers – based on insiders – in enough numbers identify themselves with the culturally constituted populist world. This constitutes the iconic brand's role in enhancing the social relations between feeders and followers (and even insiders) – as Holt describes it: "Feeders don't follow [sports] teams or players [which followers do and insiders used to be/still are a part of]; they follow trends." (Holt, 2004, p. 148, l. 2 – 3).

8. The iconic brand and brand extension

The previous section dealt with the communicational aspects of an iconic brand and the relationship between the brand and the three different consumer types of an iconic brand. According to Holt "Identity brands compete in myth markets, not product markets. […] In mind-share [equal to the brand essence theory] branding, the product category is segmented according to benefits or user psychographics from which a target is chosen. In cultural branding, managers must instead identify the most appropriate myth market." (Holt, 2004, p. 39, l. 1 – 2 and l. 13 – 16). This statement could give the impression that in cultural branding the most important aspect in order to achieve

commercial success is first and foremost to target the most relevant myth market instead of focusing on a given brand's physical attributes. Continuing this line of thinking the question of product development and brand extensions comes to mind: If iconic brands solely compete on their managers' abilities to address the relevant myth markets then the introduction of new products is of lesser importance.

In the case of Holt's cultural analysis of Volkswagen's branding in North America in the 1960s and 1970s (Holt, 2004, p. 70 – 75) the main focus is on the myths addressed (and *not* addressed!) by Volkswagen and focuses less on the specific product development in that period. But brand development and brand extensions do take place – also amongst mythical brands.

A case exemplifying this is Holt's own analysis of the soft drink company Snapple which entered the soft drink market in the 1980's. The soft drink market was dominated by a lengthy 'cola war' between the two giants – The Coca-Cola Company and PepsiCo – resulting in a wave of consolidations and new product launches in order to gain the decisive competitive edge Snapple did not hold back in this respect – although vastly inferior in terms of quantities Snapple launched several different favours – as Holt describes it:"… the founders [Snapple] continually rolled out odd and seemingly ill-conceived blends, a few of which became hits. They relied on their most zealous customers for product and packaging ideas, rushing oddball requests into production without so much as a focus group. […] Customers loved to try these weird drinks, even the bad tasting ones, which offered surprises compared with the least-common-denominator process of corporate marketing." (Holt, 2004, p. 30, l. 13 – 17 and l. 19 – 21).

Together with the national ideology of the late 1980's and 1990's this quote offers a great example of how consumers 'rebelled' against the dominant Wall Street/Free-Agent frontier national ideology. Furthermore Snapple included its consumers – the insiders; the DIY slackers – in the development of its brand extensions. One could even say that the involvement of its insiders in the product development was an integral part of the Snapple myth as "Everything the company [Snapple] did was antithetic to marketing as practised by The Coca-Cola Company, PepsiCo and other sophisticated marketing Goliaths." (Holt, 2004, p. 30, l. 9 – 11). Its myth was propagated by the fact that the Free-Agent frontier began to replace the dying Wall Street frontier in the 1990's in which individualism, outsourcing and restructuring were the new credo (Holt, 2004, p. 50).

But the – according to Holt – inevitable subcultural reaction was that of the slacker youth which addressed the contradiction between the nationally celebrated ultra-individualists and the daily life of 'Average Joe' who saw that the unskilled-labour jobs were being outsourced and that college education was no longer equal to job guarantee. The professional 'rat-race' was an illusion and the

way to truly exercise one's manhood was through new slacker activities all defined as more or less do-it-yourself-based (Holt, 2004, p. 52 – 53).

On behalf of this new emerging culture the Snapple involvement of its consumers in its product development – and this far more directly than the focus group-testing of e.g. The Coca-Cola Company in that even poor-tasting products were launched – and the fact that the marketing efforts of Snapple stood out as amateurish, made Snapple the preferred choice of soft drink for the slackers. This due to the fact that the insiders of Snapple participated in product development – and even got products named after them such as e.g. Ralph's Cantaloupe cocktail – while followers where able to sympathize with the mythical ethos of the culturally constituted populist world.

As the case with Snapple illustrates brand extensions can and do take place among mythical brand icons. But how can brands be extended in accordance with the mythmaking principles that constitute iconic brands? And how does this differ from the more traditional brand extension strategies?

In the following sections, the traditional brand extension strategies will be presented and compared to those of McCracken and Holt, along with an introduction to and discussion of the theory of 'The learning brand' as presented by the Danish marketing consultant Claus Buhl. Buhl argues that traditional brand extension theory should be abandoned as it fails to recognize that the true owners of brands are the consumers; not the companies (Buhl, 2008, p. 22).

The findings are then compared and analyzed with the principles of cultural branding in order to form a foundation upon which to analyze the case of the Lego Group's brand extension into the world of consumer robotics; the Lego Mindstorms robotics toolset product line.

9. Brand essence and brand extension

The American Marketing Association defines a brand as "A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers" (http://www.marketingpower.com/_layouts/Dictionary.aspx?dLetter=B, under the term 'Brand'). The American Marketing Association are clearly not paying attention to the cultural influence that both McCracken and Holt argues are an essential criterion for a given brand's possible market dominance. Neither does one of the central propagators of brand essence philosophy; the French marketing professor Jean-Noël Kapferer.

Kapferer argues that a brand's identity consist of a handful essential traits that consumers associate with the brand (Kapferer, 2005, p. 273). These traits acts as brand identifying constants to the consumer and are an integral part of a brand's overall concept. Traits that are associated with some

– but not all – of the brand's products are known as peripheral traits and vary depending on product type.

Kapferer argues that over time, a brand changes from being merely a product name to become the meaning of the product (Kapferer, 2005, p. 239). In other words that the key value (-s) of a given brand – and not the 'original' product – should be the focal point of the company when contemplating potential brand extensions. As Kapferer puts it "The brand is different from the original product. It is a way of dealing with products, of transforming them, of giving them a common set of added values, both tangible and intangible…" (Kapferer, 2005, p. 240, l. 21 – 26). According to Kapferer "The brand extension perspective […] maintains that a brand is a single and long-lasting promise, but this promise can or should be expressed and embodied in different products, and eventually in different categories. […] Brand extension exemplifies the move from tangible to intangible values, from a single product-based benefit to a larger benefit, thus making the brand able to cover a wider range of products." (Kapferer, 2005, p. 234, l. 34 – p. 235, l. 3 and p. 235, l. 9 – 13).

Kapferer points out that brand holding companies should only start to extend when the limits of their current product's sales growth and profitability have been reached in saturated domestic markets. Apart from launching their original products on foreign markets, brands must focus on growing on their domestic markets in less saturated product categories where the brands' original assets are also seen as assets in the new categories that a brand contemplates entering trough brand extension (Kapferer, 2005, p. 241).

Successful brand extensions serve as a mean "… to move a brand from being product-based […] to being concept-based […] Becoming a concept brand enables preparation for future expansion via other new product introductions, thus increasing the brand's market power, turnover, profile and visibility: it becomes a megabrand. In acquiring an intangible dimension on which its identity is founded, the brand thus gains access to expansion." (Kapferer, 2005, p. 259, c. 2, l. 1 – 13).

One could argue that the necessity of high perceived similarity between the parent brand's original product and the extended product is required when contemplating range extensions as the tangible values are easily transferred in such cases. But these are also the ones least likely to be able – or indeed even relevant to the consumers – to transfer from the parent brand to a remote extension. Regardless of product category, the values which are the most transferable are the intangible values of the parent brand (Kapferer, p. 2005, p. 262 – 263).

As brand extensions capitalise on the parent brand's assets, it is vital for the parent brand holder to analyse if these assets are part of the value creation in the eyes of the consumers on the new market. Thus it seems that brand extensions should take place when a genuine market opportunity presents

itself and when the customer preferences in that market coincide with the potential brand extension benefits infused with the assets of the parent brand. Kapferer argues that the brand promise must be the same across product categories as "… unsuitability [of the brand promise] for the target [brand extension] market is the number one reason that new products fail…" (Kapferer, 2005, p. 270, c. 2, l. 19 – 20).

However, when contemplating remote extensions, Kapferer argues that by gradually extending the brand into new product categories that resemble the original product the brand holder can enhance the consumers' perception of the coherence between the different products (Kapferer, 2005, p. 277). Thus brand extensions with incremental changes seem to add to the overall meaning of the brand – infusing peripheral traits into the kernel of the brand's identifying traits – and thus aiding the transition of the purely product based brand to a genuine brand concept.

10. Comparison of the basic assumptions of Kapferer, McCracken, Holt and Buhl

To define a brand with a single, long-lasting promise is part of the brand essence philosophy which focuses on enhancing a given brand's awareness (which can be measured as either recognition and/or recall) among consumers and to communicate a timeless brand identity to the consumers. This is in opposition to Holt's theory concerning the idea that iconic brands' values are controlled by the brand's ability to create a relevant identity myth. But not necessarily in strict opposition to McCracken who argues that is the job of the art directors and the fashion systems to instill meaning into the consumer goods. The differentiating point here is the type of meaning; where Kapferer argues for an internal brand essence, McCracken points out that the meaning must be derived from culturally constituted worlds (McCracken, 1986, p. 71 – 72).

Holt also argues that the brand essence's simplified brand management techniques are setting aside a brand's most valuable asset – the creation and the commercial utilization of cultural identity myths (Holt, 2004, p. 20).

Holt argues that all the traditional branding theories' inherent brand characteristics are also possessed by iconic brands but that these "… characteristics are the *consequence* of successful mythmaking, no the cause'" (Holt, 2004, p. 35).

McCracken and Holt argue in favor of the central role of culture and its dynamic role in the understanding of the successes and failures of brands whereas the brand essence branding theory ultimately sees the brand as a static sales argument.

Traditional branding theories make it far more manageable for brand managers to communicate their brand values to the market as the essence of the brand is inert over time and therefore the only variables open for manipulation by the brand manager are media management and the creative execution.

But this also increases the risk of over-simplification to let the creative execution of the market communication depend solely on creativity. As earlier mentioned iconic brands address cultural oppositions and organize the market communication based on an identity myth - an identity myth that can be identified and exploited by studying the conflict between the contextual cultural reality and the national ideology.

10.1 The learning brand

Kapferer states that "… a brand is a name that influences buyers…" and that "… a brand is a shared desirable and exclusive idea embodied in products, services, places and/or experiences. […] Do we [brand holding companies] sell products and services, or values? Of course the answer is values." (Kapferer, 2005, p. 11, c. 2, l. 1 – 2, p. 13, c. 2, l. 7 – 9 and l. 16 – 18). As previously mentioned a brand's concept is the sum of its essential traits as perceived by the consumers.

Thus the values that Kapferer argues make up the idea of a brand are equal to the essential traits that consumers would not accept as missing from new product launches/brand extensions.

The definition of the brand as a sum of tangible/intangible essential traits as proposed by Kapferer is in ways quite similar to the definition of a brand as presented by Buhl. According to Buhl (Buhl, 2008, p. 15) a brand:

- Is a word that are certain connotations attached to

- Is well-known

- Possesses both rational and emotional dimensions

- Can be used by the consumers as an idea to include in parts of their life

That a brand can be described as a well-known name defined by having certain association attached to it by consumers is agreed to by both Kapferer and Buhl. So is the fact that a brand possesses certain rational and emotional dimensions (tangible and intangible traits). However the consensus ends with the notion of the brand as an idea.

Kapferer argues that a brand's idea (the brand concept) is certain identifying traits whereas Buhl states that: "… the very usage of the brand creates a discontinuous movement from one area to another. An […] arbitrary relation between the product and its meaning is created. The way that the consumers use the brand creates a new meaning which affects the values of the brand." (Buhl, 2008, p. 18, l. 14 – p. 19, l. 3).

This is very different if not even in direct opposition to Kapferer who argues that the brand's identifying traits are the very core of the brand and that these traits are the main basis upon which the brand holding company is to consider potential future brand development in the form of brand extensions.

Buhl continues his opposing ideas by stating that " Basically, a brand is from its initial creation an extension of a product – via the arbitrary relation the brand leads the product from one part of reality to another" (Buhl, 2008, p. 19, l. 14 – 16). Dependent on the consumers and the purchasing situation the connotations attached to a given brand vary greatly which indicates that the commercial possibilities for brand holding companies are far greater than previously assumed. What ultimately define the scope of a brand are not the brand's products but its idea and the consumers' psychological delineation of that idea (Buhl, 2008, p. 19 – 20).

Kapferer argues for companies to safeguard their brand/brands and that brand extensions should be embarked upon mainly through stepwise, linear new product launches that incrementally include new product traits. In the long run these traits are then to be integrated from peripheral traits into core-identifying traits. This approach in recommended by Kapferer as it ensures that the risk of 'over-stretching' the values of the brand concept is minimized.

10.2 The bricoleur consumers oppose corporate brand management

Kapferer and Buhl both agrees that brands are the most valuable asset that companies have (Kapferer, 2005, p. 3 and Buhl, 2008, p. 23). Nonetheless they disagree on how to manage this asset. Kapferer argues that some of the most pressing issues within contemporary corporate management are those of brand management: "What concept should one choose, […] Should the brand concept evolve through time? What products can this brand concept encompass?" (Kapferer, 2005, p. 12, l. 6, l. 9 – 10, l. 16 – 17).

In starch opposition to the above quotation is Buhl's comment: "Whether you like it or not, a brand is always a result of stakeholder innovation. The meaning of the brand, the way it is consumed and the entire life of the brand is the exclusive domain of the consumers. Companies own products, consumers own brands." (Buhl, 2008, p. 22, l. 29 – 32).

It would seem that the main difference between Kapferer and Buhl is the role of – and attitude towards – the consumer in regards to the brand management. Buhl argues that brand holding companies should actively engage consumers in the branding processes; effectively transforming Kapferer's passive consumers to the opposite; active prosumers (a portmanteau of the words producer and consumer).

Although Kapferer argues in favour of consumer involvement in regards to the disclosure of a brand's image and the brand kernel's essential and peripheral traits (Kapferer, 2005, p. 273 – 274), it is apparent that the genuine product development and brand extension is limited to the brand management of the brand holding company.

The long-term vision for a brand – which includes considerations on production, finance, strategic and competitive factors (all of which are beyond the immediate reaction of the consumers, according to Kapferer) – is to be compared with a stairway, whose existence consumers are ignorant of.

Kapferer argues that consumers' reactions to brand extensions are reflections of the past, that they rest on prior learnt associations and that they are short-term oriented (Kapferer, 2005, p. 278). Thus the brand strategy is to be laid out exclusively by the brand management.

Implementing the brand image and brand kernel analysis serves the purpose of providing the brand management with "… an understanding of what constitutes the kernel at a given moment, as perceived by customers or noncustomers. It is a point of view that is heavily influenced by the past and by the brand's history. Management can bypass this if long-term considerations so dictate. The kernel [the identifying traits of the brand] measured here will identify the areas of possible resistance." (Kapferer, p. 274, l. 22 – 30).

Putting in bluntly, the consumers are considered as being both as short-sighted and retrogressive. As such they are to be regarded as incompetent to include in the future development of the brand. Indeed their opinions concerning the identifying and peripheral traits of the brand can be disregarded by the brand management if these are not in sync with the 'invincible stairway' laid out by the brand management.

According to Buhl such a view of the consumers has failed – it is the direct result of two concepts of the meaning and function of brands and on how to handle consumers that Buhl introduces:

- *The climbing brand* (Buhl, 2008, p. 25 – 29)
  After the early introduction of branding as a simple way of differentiating company A's products from company B's offerings, the discipline altered its focus in the 1950's. Besides still serving as an uncomplicated, differentiating tool it was now also assigned the task of

showcasing the brand's social ambition; thus acting as a tool with which consumers could climb the social ladder.

The social ambition of branding has now been evolved to include other aspirations such as specific brands for consumers with a specific take on humour, gender roles, idols, etc. Buhl argues that the climbing brand is still the underlying approach taken by brand managers today in order to control the brand choices that consumers take.

- *Externally controlled consumers* (Buhl, 2008, p. 30 – 31)
  In order to retain control over the brand, brand managers, marketers, consumer researchers, etc. subscribed to the concept of the externally controllable consumer. This is the view that the consumers' consumption of brands can and should be analysed and controlled – hence the name of the concept – by the brand holding company.
  This ambition of consumer control stems from the fact that the brand holding companies strives to be in control of the entire value chain of a brand: From product development and production facilities to the employees and the distribution system – and of course the companies' brands.

Buhl argues that "… at the very moment a product is launched on the market as a brand, all hell is, sorry, the consumers are loose." (Buhl, 2008, p. 23, l. 13 – 14). The most important asset of a company – its brand – is beyond its direct control; albeit not without its sphere of influence:

It is the consumers, and not the band holding company, who owns the brand consumption situation, experiences the brand, defines the brand image and values, etc.

This change of roles results in the transformation of the social ambitious climbing brand to what Buhl describes as *the living brand*.

These brands are usable by bricoleur consumers who mix various different brands in order to create their own identity. Buhl defines bricoleur consumers as being a product of their own life – and not a product of external brand values. They mix stardust with practicality (Buhl, 2008, p. 33).

Such consumer behaviour harmonizes very poorly with the proposition of Kapferer of the definition of the brand kernel's identity as being constituted by essential, tangible/intangible traits. These identifying assets serve as the kernel of the brand concept that companies are to distil in order to be able to extend unto other product categories (Kapferer, 2005, p. 286).

Distilling these values and then imprinting them into the minds of the consumers are referred to by Buhl as being pointless and a waste of money.

The new consumer reality is that consumers are demanding living brands that supply ideas that bricoleur consumers can integrate in their lives.

The externally controlled consumer-paradigm of most brand holding companies denies the consumers their appropriate role as "… creative co-workers on the branding project." (Buhl, 2008, p. 35, l. 2 -3). This ultimately thwarts the companies' ability to develop the products and brands demanded by the consumers.

As a response to the failed relationship between the brand holding companies and the consumers, the latter autonomously develop the brands in their own direction – with the brand holding companies standing on the side line; unable to tag along and profit from this new consumer reality (Buhl, 2008, p. 35).

11. The basic proposition of the theory behind the learning brand

The fundamental assumption of the learning brand is that "… consumers are searching for good ideas that they can blend together to create a meaningful pattern of their own lives. But they are greeted by brands that won't change, won't teach, won't offer themselves as new traditions. The consumers have become postmodern, branding has become outmoded." (Buhl, 2008, p. 36, l. 11 – 36). Buhl argues that this conflict can only be mended if marketing begins adapting the new knowledge about consumer behaviour that especially recent advances in neurology have provided. Enter Robert Heath – a market analyst whose research has resulted in the following three significant findings (Buhl, 2008, p. 46:

- The consciousness of the consumers is not very actively engaged in the processing of the different brand messages.

- Choosing one brand over another is often due to feelings and emotions.

- The feelings and emotions towards a given brand are often created without the consumer being aware of it.

These three bullet points all oppose the proposition of the traditional branding theory of consumers remembering predetermined brand values. Consumers are simply not conscious when processing

brands – commercial brand messages are for the vast majority of the consumers not considered as being important enough to allocate 'active brain processing power'.

The predominant part of the consumers' knowledge of brands is thus absorbed unconsciously which helps to explain why some brands 'simply' *feel* different than others (Buhl, 2008, p.48). This is due to the fact that the human mind basically obtains knowledge in three different ways (Buhl, 2008, p. 49 – 52):

- *Active learning*

  This is when one engages in activities with a specific goal – e.g. studying a textbook for school, trying to make sense of the manual to the new DVD player, etc.

- *Passive learning*

  This takes place when one actually participates in a primary activity but simultaneously is aware of secondary event. E.g. when watching a TV-show while flipping through the daily paper.

- *Implicit learning*

  The unconscious constant information processing that takes place in the human mind make up some 95 percent of the brain's work. These excessive amounts of information is for the most part 'deleted' but still huge amounts of fragmented information manages to hang on as patterns of different emotions, feelings, anti- and sympathies, etc.
  This also includes the consumers' attitude towards a given brand. Consequently these are not only made up of the handful of identifying traits that the brand holding company would like – the brand knowledge also stems from friends' opinions, from misunderstandings, from the press and all sorts of sources of information (Buhl, 2008, p. 51).

These learning methods are a result of the basically crude construction of the human mind – the shutters between our different experiences are far from watertight which also explain the two concepts of consensus areas and prototypes. In order to cope with the vast amounts of stored information the brain designates certain archetypes of entire product groups or markets (the consensus areas).

Thus one could imagine that the product category of e.g. sport cars would be designated 'Porsche', soft drinks 'Coca-Cola', etc. This is the underlying 'brain-mechanics' of the situation when the

prototype of a given market experiences rising sales when a competing brand intensifies its advertising (Buhl, 2008, p. 53 – 54).

The human brain stores information in two distinct ways; as a metonymy and as a metaphor. A metonymy is a rhetorical concept which simplifies otherwise complicated material; when one is exposed to a metonymy it activates all the areas in the brand associated with it; resulting in the activation of all sorts of memories, experiences, factual knowledge, feelings etc. Buhl mentions the short sentence 'Bush bombs Iraq' as an example of a metonymy that activates one's knowledge and feelings towards America, Bush, Iraq, children and everything else associated with the sentence.

It can be argued that metonymies acts as the describing factor on how climbing brands are marketed towards the consumer. By making otherwise complicated relationship more simple by designating them with a metonymy, the ambition of 'climbing the social ladder' could be fulfilled by simply purchasing a given brand.

On the other hand, a metaphor is far more open to interpretation and image creating then a metonymy – this makes it far more involving than the metonymy (Buhl, 2008, p. 58).

Metaphors also make it possible to establish a *convention* in which an otherwise arbitrary relationship is bestowed with meaning. This can take place with the relationship between the consumer and the brand; the latter being an exponent for "… ideas and ways of thinking that are far greater than the brands and products themselves." (Buhl, 2008, p. 60, l. 14 – 15).

Marketing based on externally managing the consumers' metonymy in regards to a given brand (by identifying and repeating the essential brand traits) thus severely limits the consumers' possibility to create metaphors regarding the brand.

This is why the majority of both new product launches and brand extensions fail as they neglect to engage in a dialogue regarding the brands with the consumers (Buhl, 2008, p. 61). This dialogue is not to take its starting point with defining the image and values of a brand, but by defining the category of the 'thought-situation' within which the brand is to be applied. Thus the brand must be seen as part of a bigger picture; as a metaphor and exponent for an idea that consumers can integrate in parts of their lives.

The brand holding companies must create a learning process, where discontinuous product development, brand behaviour and communication come together to teach the brand's idea to the consumers and to make the brand the physical and vibrant embodiment of this idea (Buhl, 2008, p. 62 – 64).

In order to gain a closer relationship with the consumers, brand holding companies must create "… products, behaviour and communication which invite the consumers to take part in the construction

of the brand. It is not about teaching the consumers the values of the brand, but rather to create the possibilities for the consumers to get involved with the brand's idea." (Buhl, 2008, p. 71, l. 7 – 11). Such brands are characterized by four attributes (Buhl, 2008, p. 75):

- They are open for the consumers' co-creation.

- They have a vision they work toward and a history they originate from.

- They are anchored in a concrete culture and they are carriers of a concrete commitment.

- They are more oriented towards humans than technicalities; regardless of their product offerings.

According to Buhl, a strong brand is thus a brand which communicates openly and change-oriented about its idea; acting more like an "… imaginative coach towards its consumer rather than a reactionary prig." (Buhl, 2008, p. 95, l. 4 – 6).

11.1 The dimensions and factors of the learning brand

Buhl argues that a brand is made up of three dimensions of which consumers pick and choose in order to integrate the brand in their lives. Basically the dimensions are weighted the same but how they are weighted by the individual consumer is dependent on how it fits into the consumer's life.

Figure 11.1: The three dimensions of the learning brand

- Product dimension
- Behaviour dimension
- Communication dimension
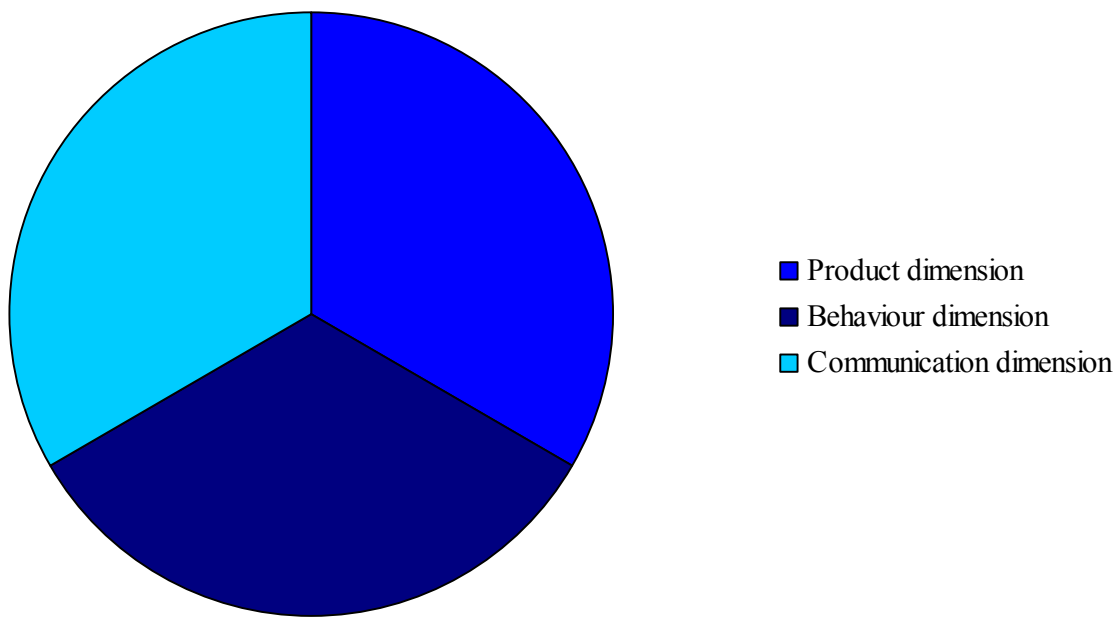
Based on Buhl, 2008, p. 99 - 100

The three dimensions shown in figure 11.1 are all multifaceted in that e.g. the product dimension can have numerous aspects resulting in a wide product portfolio.

The unifying power behind these dimensions is the basic idea of the learning brand which is anchored in a general human need (Buhl, 2008, p. 95).

Furthermore, the three dimensions are all dynamic and subject to regular change in order to actively contribute to the discontinuous expression of the idea of the brand.

The learning band is not to incrementally introduce new brand extensions embodying the same static brand identity.

On the contrary brand needs to act as a unifying metaphor for its basic idea which is what joins together the brand holding company and its consumers – as Buhl puts it: "The company, the brands and the products are merely exponents for the idea. And good ideas are not *stable ingredients* but rather *active enzymes*, which are capable of changing not only the lives of the consumers, but also the companies and their business perspectives." (Buhl, 2008, p. 102, l. 9 – 14).

The 'active enzymes' are possible due to the dynamics of constantly changing market and business definitions and the constant product development which offers new vehicles for conveying the brand's basic idea to the consumers (Buhl, 2008, p. 103). These vehicles include an array of "… different actions, activities, communication and experiences that […] consumers over time can pick

up and use to build new knowledge, new ideas and new vision of where they are going." (Buhl, 2008, p. 107, l. 33 – 36).

What characterizes a learning brand is how the relations between the brand's basic idea and its stakeholders are implemented. Buhl lists five factors which directly influence the strength of this relationship and inherently; the brand itself (Buhl, 2008, p. 111 – 112):

- *Authenticity*
  The actions undertaken by the brand must be perceived as being authentic and aligned with the brand's basic idea and general behaviour

- *Relevance*
  The brand must perform actions that are of relevance to its basic idea.

- *Proximity*
  The actions of the brand must take place close to the consumers in order to be accepted as part of their lives.

- *Interaction*
  The brand must allow for interaction with the consumers.

- *Ideas*
  The brand's actions must be usable as ideas for the consumers to integrate in their lives.

These five factors all contribute to the consumers interacting, learning and further developing the brand in order for them to subscribe to brand's basic idea.

11.2 The six learning methods of the learning brand

But exactly how should a brand act in order to become a learning brand? In the following section, Buhl's six learning methods (as depicted in figure 11.2) will be introduced. It must be stressed that the six learning methods must all comply with the previously listed five factors of the learning brand.

Figure 11.2: The six learning methods of the learning brand

6. Imitation   1. Knowledge

5. Storytelling   2. The physical reality

4. The social reality   3. Conversation
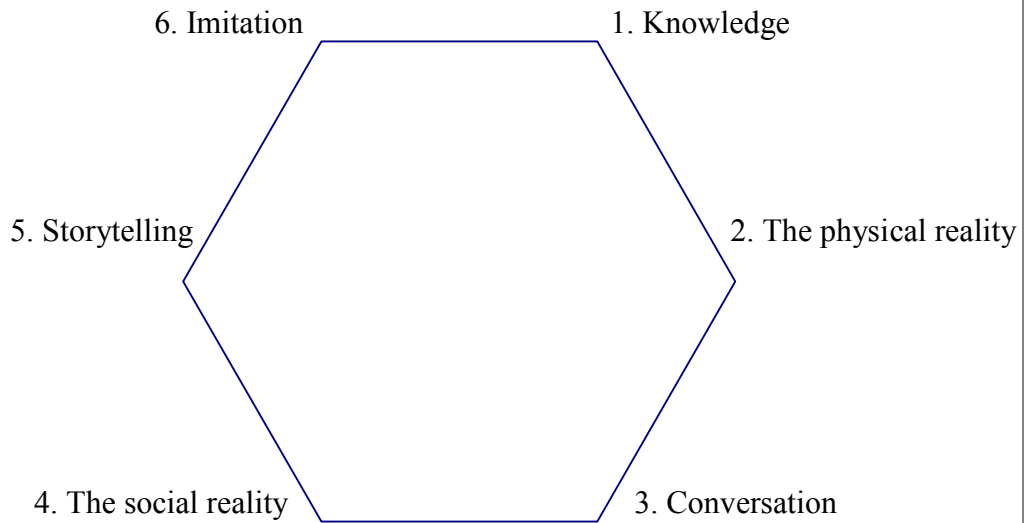
Based on Buhl, 2008, p. 114

1. *Knowledge*

   Learning requires knowledge as its premises. And knowledge about the brand is not that the consumers can remember the handful of identifying traits that a climbing brand has chosen to be descriptive of its identity. Rather it is knowledge about the basic idea of the brand and how consumers can be part of that idea– and how the consumers' knowledge can be utilised by the brand to support its basic idea (Buhl, 2008, p. 115 and p. 117 – 118).

2. *The physical reality*

   As previously mentioned not all communication 'makes it all the way through' to the consumers. Thus an effective way to overcome this, or simply to enhance the communication, is to focus on product development and design (Buhl, 2008, p. 124 – 125). Remember that a learning brand is an exponent for an idea and that the physical manifestation – the product – is but a mere vehicle for that idea.

3. *Conversation*

   Engaging in a conversation with the consumers can provide valuable inputs on how the consumers perceive the brand and how the brand succeeds in conveying its idea to – and sharing it with – the consumers. It is important to note that this is not to be mistaken for another brand image or brand kernel analysis. It is to be a proper conversation between two

equally important partners; the company and the consumers (Buhl, 2008, p. 127 – 129) which ultimately can manifest itself in stakeholder innovation and new product development.

4. *The social reality*

Assuming that consumers are passive and individual entities that simply consume brands in solitude can be deadly for a brand. The social reality is that consumers are very active indeed and even form groups – online communities – where they meet in e.g. chat-rooms and forums on the Internet – and exchange opinions, advices, concerns, etc. on everyone and everything – including brands. Thus learning is not exclusively between the brand and its consumers but very much between the consumers themselves (Buhl, 2008, p. 132). The company needs to accept this and participate in the social reality.

5. *Storytelling*

Storytelling is the core of how learning takes place – from how the human brain stores knowledge to how one learns from e.g. corporate cases at a business school. Buhl argues that climbing brands have utilised storytelling as yet another tool to convey its identity traits. But storytelling within the context of the learning brand is meant to communicate "… something about the idea of the brand and the community that can be created between the brand and its consumers…" (Buhl, p. 136, l. 6 – 7).

6. *Imitation*

For a learning brand, imitating can be a valuable resource. By allowing the brand to be inspired by others, it can spark the imagination of the consumers and refresh the brand as an authentic conveyer of a relevant idea.

The six learning methods of the learning brand are to be regarded as a method with which to best share the idea of the brand with the consumers. The brand engages its consumers and builds communities around its idea. Thus a learning brand changes with its consumers and is not preoccupied with sustaining a certain brand image and forcing more or less relevant values down the throats of apathetic consumers (Buhl, p. 148).

11.3 The learning brand and its environment

Based on the previous sections on the learning brand it is possible to create a pictorial overview of the construction of a learning brand and its relation to its surroundings. This is seen in figure 11.3.

Figure 11.3: The contextual relations of the learning brand
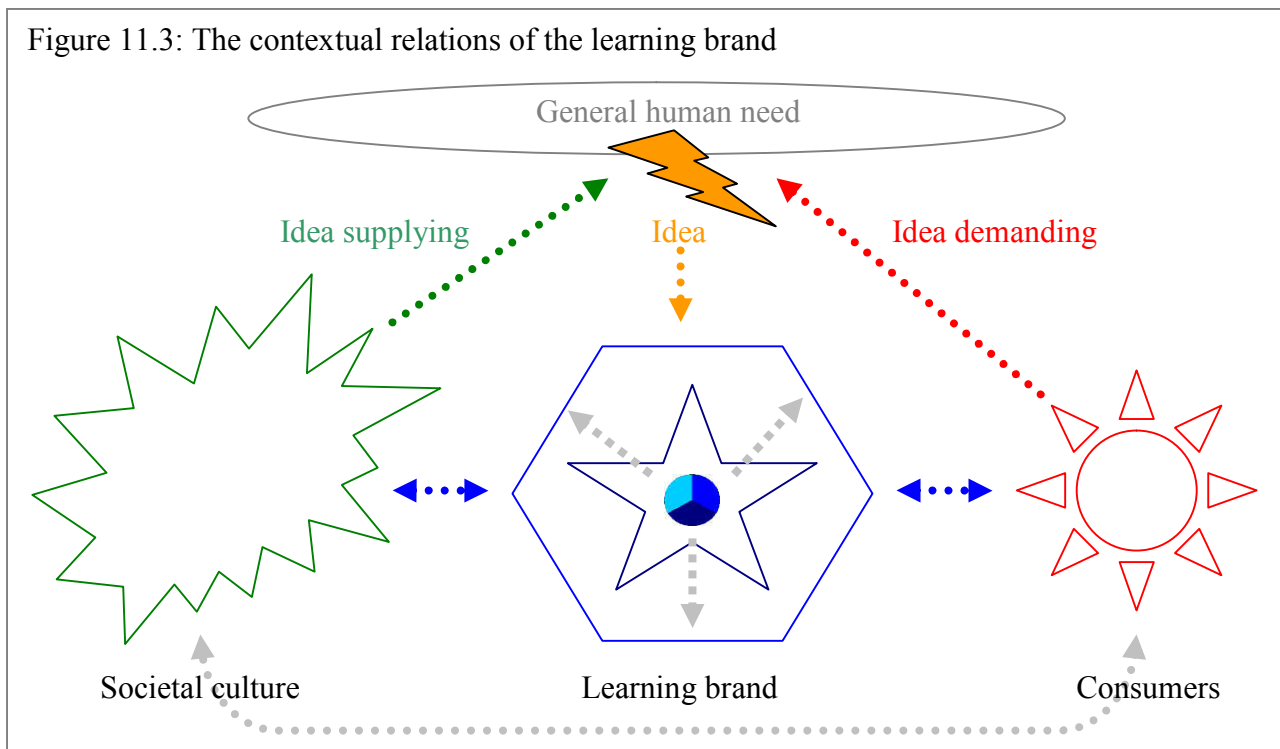
It is important to mention that figure 11.3 must be regarded as a mere snapshot of the learning brand as it – by its very definition – is a dynamic creation which acts discontinuously.

The brand (consisting of the three dimensions of its product, behaviour and communication) is seen in the middle of figure 11.3.

In order to behave as a learning brand, these dimensions are based on the brand functioning as an exponent of an idea (denoted by the golden lightning) stemming from a general human need. These needs are on the left hand addressed by a given societal culture – which nowadays is in a state of constant change; giving rise to a steady flow of new trends and ideas (Buhl, 2008, p. 90). Viable ideas addressing general human needs are demanded by the consumers on the right.

Of course consumers also interact directly with the societal culture as they as humans and inhabitants inherently make up the society and social context within which the culture manifests itself.

Unlike a climbing brand which would be all alone somewhere on the outskirts of figure 11.3 shouting its identity values at the consumers; the learning brand can capitalize on its ability to share its basic idea with the consumers.

In order to convey the basic idea to the consumers the learning brand must ensure that the relationship between the idea and the consumers is guided by the five factors of authenticity, relevance, proximity, interaction and ideas (illustrated by the five-pointed star surrounding the three dimensions of the brand).

The six learning methods of the brand must comply with both the dimensions and factors of the brand in order for the brand to be seen as an authentic and relevant exponent for the brand's basic idea by the consumers (as denoted by the hexagon surrounding both the brand's dimensions and its factors).

The double-arrows indicate that the brand must be rooted in a concrete culture and that they must engage its consumers in brand co-creation as true consumer involvement is paramount to a learning brand. This is due to the fact that a brand is not controlled by the company; although it can be influenced by the company, the true owners of a brand are the consumers (Buhl, 2008, p. 22 – 23).

The sun-shaped figure signifies that the bricoleur consumers choose brands based on varying criteria – as Buhl states: "Popular brands are being used as ideas. And if a consumer finds the [brand's] idea attractive enough, she will take from it that which she can use and make the idea her own. And her life with different brands [results in part of her life being] anchored in the product dimension […], some in the behaviour dimension […], and some in the communication dimension." (Buhl, 2008, p. 99, l. 12 – 19).

12. Can iconic brands learn?

How do the propositions of the learning brand stack up against the cultural branding model previously derived in section 7? As a starting point it would be useful to compare the definition of a brand as given by Buhl, McCracken and Holt respectively.

Buhl argues that apart from simply showcasing the tangible and intangible qualities of a brand, it must act as an exponent of an idea rather than the sum of a set of predefined values. And that the destiny of a given brand is ultimately determined by the consumers.

This definition is somewhat adhered to by McCracken who states that: "Consumer goods have a significance beyond their utilitarian character and commercial value. This significance rests largely in their ability to carry and communicate meaning…" (McCracken, 1986, p. 71, l. 1 – 4).

Holt claims that a brand does not exist merely because a product has been designed, developed, trademarked and packaged. These traits are nothing more than the physical markers of the brand – as Holt describes it: "… the product does not yet have a history […] these markers are empty. They are devoid of meaning." (Holt, 2004, p. 3, l. 3 – 5).

12.1 Subcultures offer ideas on how to live life

All authors agree on the proposition that brands – besides their physical appearance – are carriers of meaning which are transported from a context trough the brand to the consumers.

The context supplying meaning is the culturally constituted world according to McCracken, the populist worlds of Holt and the societal culture of Buhl.

As previously argued in section 6, McCracken's and Holt's meaning supplying worlds can be aligned into a joint culturally constituted populist world. And that a brand must be seen as authentically rooted in a relevant subculture in order for the consumers to accept the brand as a valid vehicle for cultural meaning transfer is also agreed upon.

Comparing this to Buhl, the authenticity of a brand is stressed as being paramount as is the prerequisite of the brand being anchored in a concrete culture and acting as a carrier of a concrete commitment (Buhl, 2008, p. 75).

Buhl argues that the societal culture is in a state of permanent change; constantly creating new ways of thinking and giving rise to new mythologies (Buhl, 2008, p. 90) and subcultures.

This view is backed up by McCracken who argues that such societies can be described as 'hot societies' where its members "… live in a world that is deliberately and continually transformed. […] Indeed, it is no exaggeration to say that hot societies demand change and depend on it to drive certain economic, social and cultural sectors in their world…" (McCracken, 1986, p. 76, c. 2, l. 33 – 38).

Holt adheres to the existence and importance of subcultures which he describes as "… populist worlds [existing.] at the margins of society. […] what unites people in a populist world is that they act the way they do because they want to, not because they are being paid or because they seek status or power." (Holt, 2004 p. 9, l. 9 – 12).

The different subcultures that exist in these ever-changing hot societies all offer their own unique ideas on how to best perceive and relate to reality.

12.2 The interaction between the consumers and the brand

Holt argues that a brand is formed when four different authors tell stories involving the brand; (the brand holding) companies, the culture industries, intermediaries and customers. These stories rely on metaphors which ultimately creates several different conventions on a how a given brand is perceived by the consumers (Holt, 2004, p. 3). Holt argues that these brand stories builds the brand's identity value which consumers find valuable when constructing their own identity – as Holt puts it: "Consumers flock to brands that embody the ideals they admire; brand that help them express who they want to be." Holt, 2004, p. 3, l. 35 – p. 4, l. 2).

McCracken argues that the meaning is created and imbued in brands by either the brand and the advertising agency or the fashion system with its product designers and fashion journalist/observers (McCracken, 1986, p. 74 – 74). From a branding viewpoint the purpose of the culturally constituted world of McCracken is to supply the art directors with a range of different cultural meanings that can express a continuous brand image (McCracken, 1986, p. 75).

Basically the art director must bring the chosen culturally constituted world and brand together to encourage: "… a metaphoric identification of sameness by the would-be consumer. World and good must seem to enjoy a special harmony – must be seen to go together." (McCracken, 1986, p. 75, c. 2, l. 19 – 22).

The fashion system of McCracken also draws meaning from the culturally constituted worlds but in the form of product designers who are inspired by these worlds and create physical products that embody this cultural meaning. The fashion journalist/observers act as gatekeepers; deciding which cultural innovations are important and which are trivial (McCracken, 1986, p. 77).

The meaning creating entities of Holt and McCracken are the same when it comes to the companies/companies and art directors, culture industries/fashion systems and intermediaries/journalist and observes.

But where Holt includes the consumers as brand authors also, McCracken does not; consumers are using brands – imbued with cultural meaning by the art directors and fashion systems – trough "… the systematic appropriation of the meaningful properties of goods." (McCracken, 1986, p. 80, 27 . 28). Consumers do not participate in the creation of meaning – they simply consume it by way of meaning transfer rituals.

Such behaviour seems somewhat contradictory to the term of hot societies that McCracken designates the dynamics of Western societies, as consumers are also inhabitants of these societies as citizens.

Although Holt contributes the cultural dynamics and meaning creation to the consumers; he also segments the consumers into three categories: Insiders, followers and feeders.

Insiders are the active, cultural meaning generating minority consumers whose populist worlds can be utilized by brands to address a cultural contradiction.

Followers subscribe to these ideas and see the brand as a connector to the mythical world – and utilise rituals to best transfer the cultural meaning to themselves. Followers are then the de facto meaning-consuming consumers that McCracken refers to.

Feeders are but pragmatic consumers who use the brand as "… a vehicle to build social solidarity with friends and colleagues…" (Holt, 1004, p. 147, l. 27 – 28).

To this distinction between cultural meaning generating consumers, cultural meaning devouring consumer and plain cultural indifferent consumers, Buhl notes that today's consumers as a result of the constant changing society are far more dynamic than previously – and far less passive recipients of prefabricated brand identity; whether this identity comes in form of the identity myths of Holt or the cultural meaning of McCracken.

Consumers choose which dimensions of a brand to include in parts of their life – some brands are chosen because of their product dimensions, some due to their behaviour dimensions and others due to their communication dimension (Buhl, 2008, p. 99). Thus consumers are using the different dimensions of different brands as pieces of a puzzle based on how the consumers can integrate the brands' ideas in their lives.

This consumer behaviour is called brand bricolage and it is carried out by bricoleur consumers who mix various different brands in order to create their own identity. It can therefore be argued that the insiders of one brand, can act as the followers of a second brand and the feeders of a third brand; thus exhibiting true bricolage brand behaviour.

12.3 The role of the brand

As Buhl states it, these consumers mix stardust with practicality based on which of the three brand dimensions they see fit to integrate in their lives.

The stardust originates primarily from the behaviour dimension of the brand; how it acts in regards to its context (Buhl, 2008, p. 100). This behaviour must be seen as authentically rooted in a concrete culture which thus can be seen to act as the contextual entity bestowing a brand its stardust.

This seem very similar indeed to the culturally constituted populist world of McCracken and Holt where the "… insiders [the opinion leaders of McCracken] can bestow or rescind the brand's authenticity – its position as a credible actor speaking from within the populist world." (Holt, 2004, p. 146, l. 38 – p. 147, l. 1).

Thus it can be argued that the stardust of a brand is comprised of the granted authenticity and credibility of the insiders of culturally constituted populist world.

In this regard it is interesting to note that it seems that the insiders of a given subculture treat brands based primarily on the brand's product dimension. According to Holt, the case of American motorcycle manufacturer Harley-Davidson reveal that the subculture which provided the cultural meaning to later Harley-Davidson branding was based on motorcycle clubs.

These clubs "… were a tightly bound community of men who created an alternative social world. Harley [-Davidson] was just one brand of large bikes – Indian and Triumph were others – favored by these motorcycle enthusiasts. Any bike that was big and loud would do." (Holt, 2008, p. 157, l. 24 – 27).

Thus it was the ethos of the alternative social world that rallied the insiders together – not a particular brand. The Harley-Davidson myth was the result of a range of exogenous events including Harley-Davidson bikes – not because the brand itself enjoyed a special status by the insiders of this subculture.

Indeed, insiders of the outlaw biker myth states that they have more "… in common with someone who rides foreign iron than someone who profiles the latest from the Harley boutique." (Holt, 2004, p. 152, l. 7 – 9).

That the insiders judge a brand by its product dimensions and how well a brand executes its cultural brief (as a means to achieve the acceptance of the insiders) corresponds well to Buhl's proposition of the brand being an exponent of an idea on how to live life – which is what subcultures offer in the form of its insiders' dedication to a shared ethos.

It also confirms the correlation of the two cultural branding theories and the theory of the learning brand in regards to the brand as a vehicle for meaning/ideas and that a brand is created and lives at the mercy of the consumers.

12.4 Developing and extending the product dimension of the brand

The theories of McCracken and Holt and Buhl differ markedly in regards to the product dimension of the brand. Neither McCracken nor Holt discusses the topic of product development or brand extension. McCracken solely focuses on how meaning is transferred from the culturally constituted world to the individual consumer (through commercial communication and consumer rituals) and Holt primarily focuses on the communication and behaviour dimensions which he denotes as the charismatic aesthetic and the myth treatment and populist authenticity.

Buhl sees the brand as a vehicle for conveying a brand's basic idea to its consumers – which includes a discontinuous product development and brand extension strategy.

According to Buhl, "A strong brand is never only based on communication, but on a relationship between product, behaviour and communication as an exponent of a good, relevant idea. […] modern branding […] is about being an exponent of an idea, to which the products, concepts and brands of a company can be related. And to develop engaging media where it can be take place." (Buhl, 2008, p. 109, l. 17 – 19 and l. 23 – 26). Thus product development and brand extension is an integral part of the theory of the learning brand as propagated by Buhl.

Not so with Holt in his analysis of the decline of the sales of Volkswagen's Beetle on the American market in the late 1960's and the subsequent failed launch of the Super Beetle in the early 1970's. Holt solely focuses on the identity myth which he argues that Volkswagen failed to address properly – and not the fact that the product itself – the Beetle and its immediate successor the Super Beetle (basically a slightly larger Beetle) – was the result of the continuous development of a car design stemming from the 1930's (http://www.gizmohighway.com/autos/vw_beetle.htm, section 1). To this Holt argues that, "At a product level, the line extension made perfect sense. After all, one of Volkswagen's outstanding weaknesses compared with the competition was its small interior and trunk space. But Volkswagen was selling a worldview, not comparative product features. A bigger Beetle [the Super Beetle] was fine, but denouncing the "think small" ethos was not." (Holt, p. 73, l. 20 – 24). But were these minor improvements of a forty year old design really enough to keep up with the competition?

The new product launches of competing American, European and Japanese car manufacturers incorporated new technologies such as front-wheel drive driven by a front-mounted liquid-cooled engine whose configuration – apart from being far more reliable – freed up interior space, lowered production costs and improved fuel efficiency (the advantages of front wheel drive is based on http://politiken.dk/tjek/bilerogmc/article651627.ece, section 8).

Thus it would seem that not only was Volkswagen failing in its communication and behaviour dimension in the early 1970's – as stressed by Holt – but also failed in regards to the product dimension of the brand.

It was no longer producing products that emanated its basic idea as a "… good, reliable cars for the general public." (Buhl, 2008, p. 93, l. 10 – 11) but was clinging on to an outdated design which together with a changing cultural contradiction – unaddressed by the Volkswagen communication – contributed to the demise of the Beetle.

Cobbling this lack of product development of Volkswagen with Holt's analysis of Harley-Davidson, it is interesting to note that Harley-Davidson was a leading motorcycle manufacturer in the 1950's and 1960's but experienced heavy setbacks in the 1970's due to a poorly managed take-

over of the company by the American Machinery and Foundry corporation (http://www.harley-davidson.com/wcm/Content/Pages/H-D_History/history_1960s.jsp?locale=en_US, section 14). The following ten years American Machinery and Foundry tried to streamline the production by reducing the workforce which led to several strikes; resulting in lower quality production output and subsequent declining sales which was worsened by the simultaneous increase in both the quantity and quality of imported Japanese motorcycles (http://www.hotbikeweb.com/features/0701_hbkp_american_machine_foundry/index.html, section 1).

The turn-around started in 1981 where a group of thirteen Harley-Davidson senior executives acquired Harley-Davidson in a buyback from American Machinery and Foundry – and launched motorcycles heavily resembling the Harley-Davidson models from the 1950's to the 1970's – including even the consumer-modified motorcycles of that era (http://www.harley-davidson.com/wcm/Content/Pages/H-D_History/history_1980s.jsp?locale=en_US, section 6 and section 15).

That the new product launches were partly based on how insiders had been "…modifying them [the motorcycles] with their own customized design." (Holt, 2004, p. 170, l. 16 – 17) can be seen as en example of how insiders – besides bestowing legitimacy to the brand – also can act as a source of inspiration when it comes to actual product development.

That Harley-Davidson began including the customised look is very interesting indeed as Harley-Davidson previously had "…attacked the bikers' use of "unauthorized" customized parts in their ads." (Holt, 2004, p. 187, l. 15 – 16) in the 1960's.

But as Holt describes it, Harley-Davidson was a case of a series of exogenous events originating from the culture industries that directly and indirectly involved Harley-Davidson motorcycles. And it was not until the 1990's that Harley-Davidson "… became much more sophisticated at cultural branding. Instead of fighting against or parroting the influential cultural texts, the company began to elaborate on and tweak these texts to shape the myth to best suit its customers." (Holt, 2004, p. 187, l. 29 – 31).

These texts can take the form of stitching texts – where a brand is being associated with a given subculture and its ethos through exogenous events – and repacking texts where the ethos of the insiders are reinvented and reinterpreted to better address changing societal culture (Holt, 2004, p. 185 – 186).

But it was not only the communication aspects of Harley-Davidson that changed – the product portfolio also changed dramatically, as previously mentioned, by introducing brand extensions – such as the 1986 Heritage Softail – that referred back to the 'golden customization days' of the pre-

American Machinery and Foundry era (please refer to appendix 2 for three examples of Harley-Davidson motorcycles showcasing the differing designs).

Even when accessing the Harley-Davidson website today (http://www.harley-davidson.com) it is evident that the customization of otherwise stock Harley-Davidson motorcycles is an integral part of the Harley-Davidson brand.

Though Harley-Davidson does not directly include insiders in their product development and brand extension, they have drawn massive inspiration from the subcultural motorcycles clubs previously unwarranted by the Harley-Davidson management.

This seeming contradiction that have resulted in massive commercial success for the Harley-Davidson company, begs the question of how insiders of given subcultures can contribute with more than legitimacy – how they can be an integral part of – and contributor to – the brand's product dimension.

Engaging consumers in the co-creation of the brand is also a vital part of the attributes and factors of the learning brand (Buhl, 2008, p. 75 and p. 111 – 112). Cobbled with the previous proposition of the importance of involving insiders in product development and brand extension, this makes for an interesting case to analyse how such co-creation can take place.

13. Engaging the consumers – the case of Lego Mindstorms

In this section the case of the Danish toy company the Lego Group and its brand extension Lego Mindstorms will be analysed on the basis of the previously derived model of cultural branding in section 5 and the contextual relations of the learning brand in section 8.

The Lego Group was established in 1932 by Godtfred Kirk Christiansen and initially produced wooden toys. In the late 1940's Lego began producing the now world famous interlocking plastic bricks which were eventually patented in 1958 (http://www.time.com/time/world/article/0,8599,1707379,00.html, section 2). Since then the Lego Group – today still privately owned by the Kirk Kristiansen family - have grown to employ app. 8.000 employees and is the world's fifth largest manufacturer of play materials (http://www.lego.com/eng/info/default.asp, section 2).

The introduction of the first Lego Mindstorms sets took place in 1998 and consisted of "Lego bricks, motors, gears, different sensors, and a "RCX brick" with an embedded microprocessor…" (Beland, 2000, p. 3, l. 4 – 5). The user was able to program the RCX brick on a computer and then transfer this code to the brick; allowing the user to create robotic inventions carrying out pre-determined actions.

The robotics set was called the Lego Mindstorms Robotics Invention System – RIS - and though initially targeted at 10 – 14 year old boys (Beland et al., 2000, p. 28), a Lego survey from 1999 revealed that 70% of the Mindstorms users were adults (http://www.wired.com/wired/archive/14.02/lego.html?pg=2&topic=lego&topic_set=, section 3). Figure 13.1 provides an overview and timeline of the original Lego Mindstorms RIS product line, the second generation Lego Mindstorms NXT in 2006 and the latest version – the Lego Mindstorms NXT 2.0 which was introduced in 2009. For larger and more detailed images of the Mindstorms product line and the programmable bricks, please refer to appendix 3.

Figure 13.1: Lego Mindstorms timeline

1985

Initial Lego and MIT cooperation

1996

The Red Brick introduced

1998

The RCX Brick and the Lego Mindstorms Robotics Invention System introduced

2005

MUP and MDP

Cooperation between Lego and Lego Mindstorms users

2006

Lego Mindstorms NXT introduced

2009

Lego Mindstorms NXT 2.0 introduced
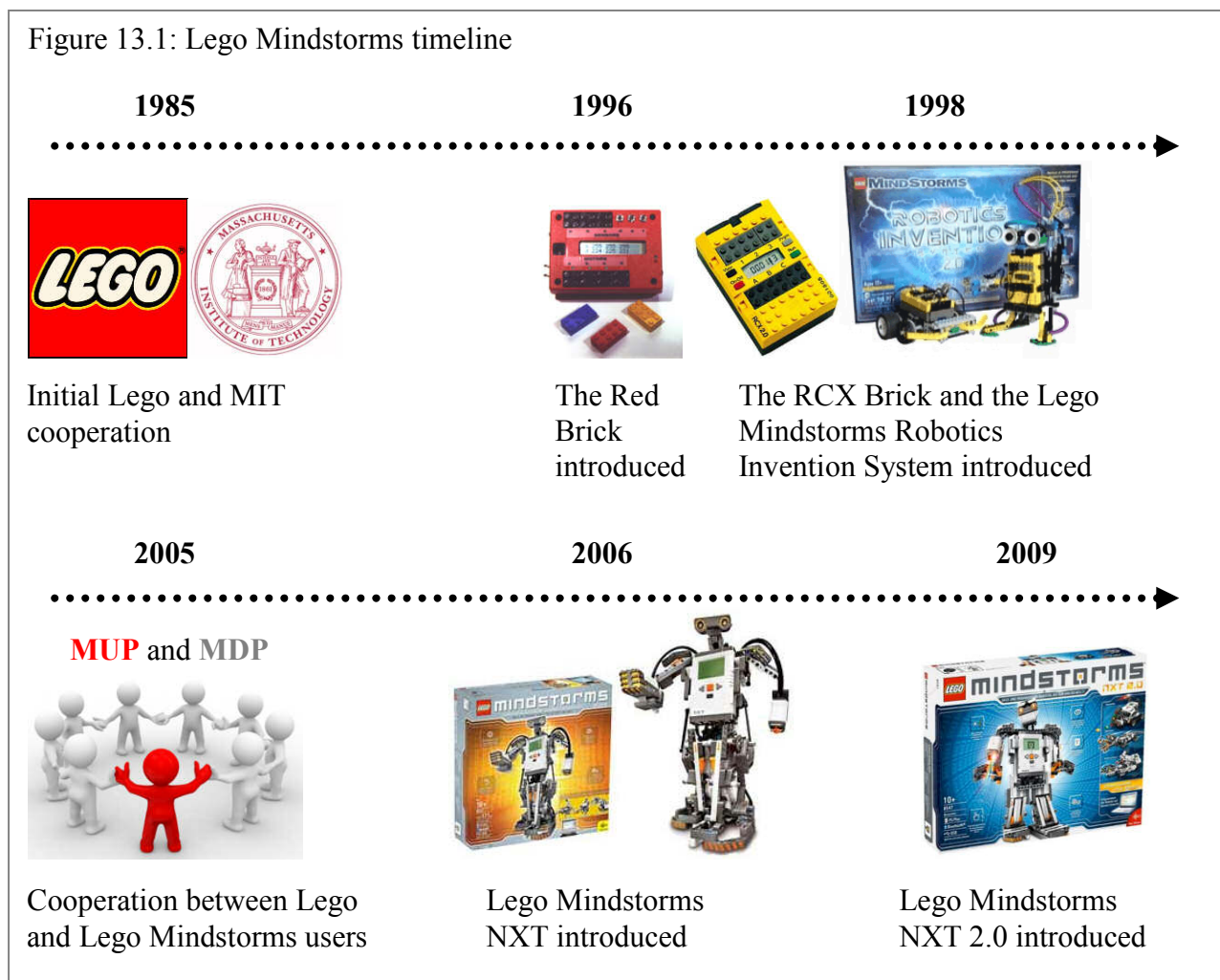
In the following sections the above Lego Mindstorms timeline will be elaborated and analysed – first with an introduction to The Epistemology and Learning Group at the MIT Media Lab of the Massachusetts Institute of Technology, followed by an analysis of the creation and launch of the Lego Mindstorms RIS (RIS) and the later Lego Mindstorms NXT (NXT) product.

The latest addition to the Lego Mindstorms product line, the NXT 2.0, will not be included in the analysis as it only differentiates itself from the NXT with the inclusion of different Lego parts and upgraded sensors (http://gizmodo.com/5154670/lego-mindstorms-nxt-20-bots-can-spot-their-favorite-color).

13.1 Advocating the constructionist learning philosophy

The Massachusetts Institute of Technology – MIT - was founded in 1861 – with its first students admitted in 1865 – in the city of Cambridge, Massachusetts in the United States of America (http://web.mit.edu/facts/mission.html, section 3).

According to MIT's website, "The mission of MIT is to advance knowledge and educate students in science, technology, and other areas of scholarship that will best serve the nation and the world in the 21st century." (http://web.mit.edu/facts/mission.html, section 1, l. 1 – 3).

One of the schools of MIT – The MIT School of Architecture and Planning – spawned the MIT Media Lab in 1985.

The department "… is focusing on "human adaptability" – work ranging from initiatives to treat conditions such as Alzheimer's disease and depression, to sociable robots that can monitor the health of children or the elderly, to the development of smart prostheses that can mimic—or even exceed—the capabilities of our biological limbs. [… The MIT Media Lab…] continues to check traditional disciplines at the door. Future-obsessed product designers, nanotechnologists, data-visualization experts, industry researchers, and pioneers of computer interfaces work side by side to tirelessly invent—and reinvent—how humans experience, and can be aided by, technology." (http://www.media.mit.edu/about/mission-history, section 2, l. 2 – 6 and section 5, l. 1 – 5).

In 1986 the South-African mathematician Dr. Seymour Papert and the American computer scientist Dr. Mitchel Resnick formed the Epistemology and Learning Group – ELG – (now named the Lifelong Kindergarten - http://llk.media.mit.edu/mission.php) at the MIT Media Lab.

The ELG's mission was "… to use new technologies to expand the space of what people can build, how they collaborate, and how they think about what they have built and the world in general." (Beland et al., 2000, p. 9, l. 5 – 7).

The ELG was – and the Lifelong Kindergarten still is - dedicated to the studying and promotion of the constructivist philosophy of education which advocates that knowledge should be actively constructed by the mind of the student and not simply transmitted from the teacher.

The ELG further develop the term of constructivism into constructionism which advocates that people (students) "… construct their own knowledge effectively while building creations that interest and excite them, and encourage them to learn. They learn how to analyze problems that

have no predetermined answer, and come up with their own creative solution. […] Teachers play important role as knowledge facilitators, instead of dictating facts to kids, or providing them with recipes on how to build things. Teachers are also co-learners in this constructionist approach to learning." (Beland et al., 2000, p. 11, l. 4 – 8 and l. 11 – 14).

In the 1970's Papert had participated in the development of the Logo computer programming language which could be transmitted to a mechanical creation – know as a 'turtle' – by children; effectively introducing them to the scientific realms of programming and robotics – please refer to appendix 4 to see how children programmed these 'turtles'.

In 1980 Papert published a book - dealing with constructionism and his experiences with the Logo programming language - called 'Mindstorms: Children, Computers, And Powerful Ideas' which Resnick read in 1983 (hence the name of the later Lego robotics products).

The book had such an impact on Resnick that he joined Papert in the founding of Microworlds Learning Inc. which focused on developing a new generation of intelligent toys for children – Papert and Resnick envisioned that children would "… build things in the real world and control them on PCs using computer programs the children themselves had written. They chose Lego bricks [… as they…] embodied a "low-barrier to entry and high-ceiling design goal that the group wanted. They were simple enough that novice users could easily pick up how to use them, but they enabled experienced users to build whatever they imagined, with few constraints." (Beland et al., 2000, p. 14, l. 10 – 12 and l. 15 – 18).

In 1985 the president of the Lego Group read Papert's book and approached Microworlds Learning as he was both intrigued by the novel application of Lego bricks and because he believed that Lego and Microworlds shared the same convictions in regards to how children best acquire knowledge (Beland et al., 2000, p. 18).

In 1986 Papert and Resnick continued their pioneering work of linking the Logo programming language with Lego bricks, but now the work was carried out at the MIT Media Lab. Here, the two scientists founded the Epistemology and Learning Group in 1986 which was indirectly founded by the Lego Group as it became a founding sponsor of the MIT Media Lab (http://web.mit.edu/newsoffice/1999/lego-1027.html, section 4).

A range of prototype programmable bricks which could be integrated with Lego bricks were launched in the late 1980's and early 1990's and this research ultimately resulted in the introduction of the 'Model 120 Programmable Brick' - more commonly known as simply 'The Red Brick' (Beland et al., 2000, p. 15).

Simultaneously with the development of the hardware aspects of the research project, the basic Logo computer programming language was developed into the LogoBlocks programme which was

based on the Logo language, but utilised a graphical user interface which appealed much more to children than the previous text-heavy command-line interface of the Logo format (Beland et al., 2000, p. 17).

13.2 The creation and launch of the RIS

Though the Red brick was used as a prototype for the later RCX brick included in the RIS set, the RCX brick was actually engineered solely be Lego in Billund, Denmark. An important aspect of the cooperation between the ELG and Lego was that the two groups exchanged knowledge and employees in order to develop the Red and RCX brick respectively (Beland et al., 2000, p. 19- 20). Furthermore Lego actively consulted elementary and high school teachers – who collaborated with the ELG in regards to the design and curricula appropriate for introducing the Red brick in science classes- in order to determine the necessary specifications of the RCX brick.

As the penetration of household PCs on the American market rose and the purchase price of the materials required to construct such programmable bricks in the mid-1990s fell, the introduction of user programmable robotics became economically feasible for the Lego Group (Beland et al., 2000, p. 25).

Several key considerations regarding the costs, durability and ease-of-use to the end-user altered the RCX brick from its prototype Red brick significantly. Whereas the ELG focused on exploring how new technologies could be utilized as a constructionist tool to help children in general to learn new things, Lego needed to address a specific segment of the consumer market in order to live up to its financial responsibility. The target group was chosen to be the "… bread-and-butter market [… of Lego which translated into…] 10 – 14 year old boys." (Beland et al., 2000, p. 26, c. 2, section 2, l. 5 – 6 and l. 1).

The choice of target group resulted in the yellow-and-black color scheme of the RCX brick and the utilization of a graphical user interface – the RCX Code – which resembled the previously mentioned LogoBlocks program (Beland et al., 2000, p. 29).

Consumer were to install the RCX Code program on their computer and then build a robot and code the program so as to replicate one of the sample robots featured on the supplied Mindstorms CD-ROM. The code would then be transmitted to the RCX brick and the robot would carry out the coded program's commands.

This recipe for robotics engineering was not fully supported by the ELG and their promotion of the constructionist learning philosophy as they argued it would impede true creativity being unfolded (Beland et al., 2000, p. 19).

Nevertheless the RIS was introduced on the American market in 1998 and sold more than 80.000 units in the first three months – and in 2002 it still racked in sales of 40.000 units annually (http://www.wired.com/wired/archive/14.02/lego.html?pg=1&topic=lego&topic_set=, section 8). These impressive sales numbers exceeded by far the Lego Group's expectations and that 70% of the RIS users were adult – as previously mentioned in section 10 – were equally surprising to the Lego management (http://www.wired.com/wired/archive/14.02/lego.html?pg=2&topic=lego&topic_set=, section 3).

Though both the ELG and the Lego Group subscribed to the 'low-barrier to entry and high-ceiling' philosophy (Beland et al., 2000, p.14) in regards to the ease with which users could get started and develop their creative expression, the application of the graphical user interface of the RCX Code limited the height of the ceiling of creativity. It was simply not possible for the users to program the RIS robots to perform significantly differing actions using the supplied RCX Code software.

All this changed within weeks of the product launch in 1998 when "… a Stanford graduate named Kekoa Proudfoot reverse engineered the RCX Brick and posted all of his findings, including detailed information on the bricks underlying firmware, online. Several other engineers quickly used Proudfoot's revelations to design their own Mindstorms tools, including an open source operating system [… and a…] programming alternative to RCX-code…" (http://www.wired.com/wired/archive/14.02/lego.html?pg=2&topic=lego&topic_set=, section 9, l. 1 – 6).

This situation provided the Lego management with a dilemma involving the basics of Lego's intellectual property rights on one side and on the other side; the basics of Lego's learning philosophy which stipulates the encouragement of "… children to be open and curious. To stimulate their creativity, imagination and learning – while they're having fun." (Beland et al., 2000, p. 23, l. 22 – 24).

That the Lego Group eventually chose to accept these autonomous third-party Mindstorms enthusiasts to publish and then alter the RCX Code, resulted in numerous websites offering other RIS users recipes and inspirations to create and program exotic robotic inventions such as e.g. "… an automated blackjack card dealer, a robot that crawls up walls, and even a robotic toilet bowl scrubber." (Beland et al., 2000, p. 3, l. 7 – 9).

Lego even expanded its RIS software license agreement to include a 'right to hack' thus providing the Mindstorms enthusiasts with an "… explicit permission to let their imaginations run wild. […] Lego concluded that limiting creativity was contrary to its mission of encouraging exploration and ingenuity." (http://www.wired.com/wired/archive/14.02/lego.html?pg=2&topic=lego&topic_set=, section 11, l. 3 and section 10, l. 1 – 2).

13.3 Acknowledging the robot hobbyists

Contrasting the creation and launch of the RIS to the models of cultural branding and the learning brand, several key points are obvious. As a brand extension of the regular Lego building bricks the RIS was an altogether different product.

The initial development of robotic toys were grounded in a high-tech environment in the shape of the MIT – an international powerhouse in the fields of scientific and technological research – and the Epistemology and Learning Group dedicated to the promotion of the constructionist learning philosophy.

This basic approach to learning was shared by the then-president of the Lego Group who had read Papert's book 'Mindstorms: Children, Computers, And Powerful Ideas' and realised that the ELG and the Lego Group shared the same basic idea of stimulating children's' creativity, imagination and learning whilst having fun doing it. The physical difference between the ELG and Lego was that ELG utilized programmable robots to express their basic idea while Lego produced plastic building bricks.

The ELG's product philosophy was comparable to that of an 'open text' which required the user to participate actively in the co-creation of the product, whereas Lego's product were mainly predetermined kits that came supplied with instructions on how to create e.g. the ship, police station, etc. showcased on the box containing the Lego bricks – comparable to that of a 'closed text' which is a very specific text that instruct to the user/consumer on how to perceive and utilise a given brand (Buhl, 2008, p. 93 – 94).

This product approach was also applied to the Lego Mindstorms RIS when launched in 1998 where instructions on how to build and program sample robots were included in the sets and in the design of the RCX Code.

Both these product design choices harmonized well with the previous Lego products, but as is the case with regular Lego building bricks sets, the children's untamed creativity usually 'gets the upper hand' and meant-to-be-police stations are soon transformed into dragons, cars and planes as a very tangible example of the fact propagated by Buhl that "… the readers [users] do what they want with closed texts…" (Buhl, 2008, p. 94, l. 5).

Likewise with the RIS – the RCX Code was soon hacked by the users and shared online; resulting in vast amounts of creative robotics creations that the Lego management had no control over whatsoever (examples of such creations can be fund at http://www.teamhassenplug.org/robots/)

Furthermore the amount of adult users of the robotics set were vastly higher than originally anticipated (the set was intended to 10 – 14 year old boys) and the reason for this was that robotics

hobbyists had "… been building robotics for decades. But the [Lego Mindstorms] Robotics Invention System offers a standard. If someone builds a robot with the pieces from the Robotics Invention System, anyone else with the same set can build it too. Robots with nonstandard parts are much harder to reproduce. Also, programs you write for the RCX can run on anyone else's RCX. Homebrew robots tend to have software that's hard to reuse in other robots. […]If you build something cool, someone else can easily build it too. This makes it easy to exchange ideas and programs with other Lego robot builders."

(http://events.oreilly.com/pub/a/network/2000/01/31/mindstorms/index1a.html, l. 1 – 16 and l. 21 – 22).

What Lego had created with the introduction of the RIS in 1998 was not just a programmable brick which could interact with Lego bricks for young boys to play with – they had offered an entire subculture of hobby-robotics engineers with an industrial standard!

And as the above quotation indicates these users applied the same constructionist philosophy as the ELG and made an initially closed text open for co-creation.

The Lego Group chose to accept – and subsequently encourage – this user-driven product development as they realised that it provided a valuable service; Lego management "… came to understand that this… [was]… a great way to make the product more exciting. […] It's s totally different business paradigm – although they [the robotics hobbyists] don't get paid for it they enhance the experience you can have with the basic Mindstorms set."

(http://www.wired.com/wired/archive/14.02/lego.html?pg=2&topic=lego&topic_set=,, section 10, l. 3 – 6).

To these robot hobbyists, the Lego Group management's decision to allow co-creation of the RIS set was seen as a supportive gesture and official approval of their creativity.

It also provided the robot hobbyists with a sense of belonging to the enchanting world of cutting-edge artificial intelligence and robotics research being carried out at the MIT.

Indeed that Dr. Seymour Papert – the co-founder the Artificial Intelligence Lab at MIT (http://www.papert.org/, section 4) – had been part of the development of the RIS only served to enhance the perception of the product being authentically anchored in a concrete culture with a specific ethos; that of constructionism. Thus the ELG provided the stardust of authenticity to the Lego robotics set.

The constructionist ethos is in opposition to the prevailing learning philosophy of instructionism and the ELG's promotion of its ethos is described as an "… uphill battle of going against the established norm." (Beland et al., 2000, p. 13, l. 28 – 29). Thus it was almost inevitable that robot hobbyist would perform personalization rituals – in the form of the hacking the original code and by

autonomously creating unauthorized robots - to transfer the intrinsic constructionist meaning of the product to themselves.

The ELG had originally used the Lego bricks due to the product dimensions of the brand – Lego was chosen because it "… worked well as a system. One could easily build a wide variety of mobile objects using gears, motors, and other things that Lego was already manufacturing." (Beland et al., 2000, p. 14, l. 11 – 15).

This is exactly the same argument the robot hobbyists cite as the main reason for them choosing Lego robotics systems over competing systems – and when the RCX Code was hacked and leaked online, the fact that Lego did not pursue to confine the users' creativity be taking legal action, the foundation of the success of the RIS was established as the product was seen as enjoying a special harmony with the scientific world of robotics.

13.4 Introducing the next Robotics Invention System – the Lego Mindstorms NXT

First unveiled to the public at the 2006 Consumer Electronics Show in Law Vegas, the Lego Mindstorms NXT was the second generation of Lego's successful first venture into the world of consumer robotics.

In connection with the presentation, Lego issued a press statement which among others stated the following concerning the features and characteristics of the new set: "Smarter, stronger and more intuitive than ever, Lego Mindstorms NXT is a robotics toolset that provides endless opportunities for armchair inventors, robotics fanatics and Lego builders ages 10 and older to build and program robots that do what they want. […_ The Lego Mindstorms NXT includes] 18 building challenges with clear, step-by-step instructions [that] help acclimate users to the new system to create robots ranging from humanoids and machinery to animals and vehicles […The set also contains a] Digital wire interface [which] allows for third-party developments..."
(http://www.lego.com/eng/info/default.asp?page=pressdetail&contentid=17278&countrycode=2057 &yearcode=&archive=false, section 1, l. 3 – 7 and section 6, l. 17 – 19 and l. 20).

This quote indicates that the Lego Group had learned from their experiences regarding the consumer behaviour with the previous RIS series.

The handing-over of creative power to the consumer – 'to build and program robots that do what they want' – is a supportive statement to the constructionist ethos and recognition of the fact that the Lego Mindstorms brand was being kept vibrant and dynamic alive by the robot hobbyists.

This is further underlined by the fact that the included building instructions of 18 robotic creations is simply referred to as a tool of 'acclimatisation' to the new system - and not as a construction goal in their own rights.

That the press statement introducing a new patented product, finishes off by stating that the supplied digital wire interface allows for tweaking and altering of the system by external stakeholders is also evidence to the fact that the Lego Group management realises that the Lego brand does not consist of a set of corporate intellectual property rights, but rather; it is made up of the creative and vibrant consumers who subscribe to the idea of constructionism in the form of creative robotics engineering.

This recognition of consumer co-creation traces its roots back to the early days of the cooperation between the ELG and the Lego Group as the two groups subscribed to similar ideals of constructionism.

The Lego Group's adherence to the ethos is evident in their mission of offering products that "… inspire the unique form of Lego play that is fun, creative, engaging, challenging – all at the same time. [… Playing with Lego]"… develops a set of future, highly-relevant capabilities: Creative and structured problem-solving, curiosity and imagination, interpersonal skills and physical motor skills - building with LEGO bricks is thus about "learning through play"."

(http://www.lego.com/eng/info/default.asp?page=vision, section 3, l. 1 – 3 and section 4, l. 3 – 6).

Thus it can be argued that the two groups were enjoying similar ideas – the constructionist ethos – but that the physical manifestation differed markedly in the form of the programmable bricks of the ELG and the plastic toy construction bricks of the Lego Group.

The initial contact between the ELG and the Lego Group was based on a coincidence when the then-president of Lego read Dr. Papert's (of the ELG) book 'Mindstorms: Children, Computers, And Powerful Ideas' and became intrigued of the idea of combining Lego bricks with computers. But it was not until the RCX Code of the first RIS was hacked and leaked online that the true potential of the robotics line were realized. Compared to the traditional Lego products, where users could built whatever they wanted regardless of the supplied building instructions, the RIS's RCX Code limited creativity as it could only be utilized to program pre-defined robots.

Interestingly it was not until the hacking of the RCX Code – and subsequent acceptance of the hack by the Lego Group – that the product truly acted as an exponent of the basic constructionist idea. The involvement of consumers in the development of the replacement set for the RIS – the NXT – was characterised by a fundamental change in the Lego Group's approach to the Mindstorms users in that the group actively engaged certain consumers in the development process.

But how did this actually take place – and who were the consumers involved in the development of the new robotics brand extension?

The following section takes a closer look at the Mindstorms User Panel (MUP) and the Mindstorms Developer Program (MDP).

13.5 Engaging consumer segments in the development of the NXT

Within weeks of the launch of the 1998 RIS the programming code had been hacked and creativity flourished among the robot hobbyists. The product immediately became a huge success with estimates of total sales exceeding one million sets which makes it the best selling Lego product in the group's history (sales include later introduced upgraded sets; the RIS 1.5 and 2.0. Sales numbers are from http://www.gizmodo.com/5019797/everything-you-always-wanted-to-know-about-lego, section 21).

In early 2004 industry rumours began spreading that Lego was abandoning the Mindstorms line due to a worsened financial situation. In a press statement addressing these rumours, the Lego Group expressed its continued focus on the "…core products [which] are not only the original bricks but also all other products which challenge children's imagination and creativity. Hearsay has it that a product range like Lego Mindstorms is no longer in focus. This is not true. On the contrary, Mindstorms [… is a product that] the company wants to stake on.

(http://www.lego.com/eng/info/default.asp?page=pressdetail&contentid=3423, section 4, l. 1. – section 5, l. 3).

Later the same year, the Lego Group decided to start the preliminary research into the development of a replacement to the gradually ageing RIS set.

In 1998 the original RIS's RCX Code had been hacked, but the initial fear of uncontrollable misuse of the Lego-branded set proved false.

On the contrary, the management team of the Lego Mindstorms division had been impressed with the dedication and seemingly endless creativity that robot hobbyists on a global scale had endowed the original robotics set with; sharing their experiences online in a vast array of Mindstorms and consumer robotics Internet forums.

So much impressed in fact, that the director of Mindstorms, Søren Lund, decided to tap this culture of innovation for inputs to the new generation of Mindstorms. "By trolling through online user groups and websites Lund and Smith-Meyer [a Lego creative director] collected 20 names. They winnowed the list based on the candidates' experience and their desire to have a well-rounded panel of specialists in different areas – sensors, software, building, et cetera. Eventually they had five names: the four pioneering MUPers [Mindstorms User Panel members], and another person who

never responded."

(http://www.wired.com/wired/archive/14.02/lego.html?pg=3&topic=lego&topic_set=, section 1, l. 3
– 8).

The four MUP members - and Mindstorms director Søren Lund – together with a short description
of their Mindstorms merits, can be seen in appendix 5.

Shortly after agreeing on which robot hobbyists to be included in the further development process,
the selected Mindstorms users were invited to a secure online forum, where Søren Lund requested
them to join the Lego Mindstorms development team and not as simply beta-testers to disclose
minor bugs on a product otherwise ready for mass-production. In fact, Lego did not even have a
working prototype when first engaging the MUP

(http://www.wired.com/wired/archive/14.02/lego.html?pg=1&topic=lego&topic_set=, section 5).

Lund clearly indicated that the inputs from the MUP would be taken as serious as if the four
enthusiasts were paid employees of the Lego Mindstorms division.

Throughout 2005, the members of the MUP and the Lego Mindstorms division exchanged ideas and
concrete product design suggestions. Lego took the MUP's suggestions serious. As Lund states
"We would ask them about a planned feature, […] and within half an hour there would be a four-
page email on it."

(http://www.wired.com/wired/archive/14.02/lego.html?pg=3&topic=lego&topic_set=, section 4, l. 2
– 4).

In April 2005, the MUP was invited to the research and product development department of Lego's
otherwise hermetically sealed centre for Global Innovation and Marketing in Billund, Denmark.
Here, the detailed physical and technical specifications of the new robotics set were discussed.
The MUP even "… examined prototypes for the NXT [the programmable brick that replaced the
previous RCX brick] circuit boards, as well as the kit's proposed assemblage of [Lego] Technic
pieces." (http://www.wired.com/wired/archive/14.02/lego.html?pg=3&topic=lego&topic_set=,
section 6, l. 5 – 6). These Technic pieces were newly-designed studless Lego bricks, designed to
provide a less boxy and sleeker look – thus more accurately resembling 'genuine' robotics
materials.

The fact that the previous RCX Code was hacked immediately after the RIS set's official launch
and that the robot hobbyists soon introduced various new programming tools for the RIS, made
Lego realize that its supplied programming interface obviously failed to live up to the requirements.
Thus Lego turned to National Instruments – an international Texas-based software development
company - and requested programming software which better satisfied the robot hobbyist's demand
for more advanced command-possibilities, while at the same making programming more intuitive

for first-time users (http://www.ni.com/academic/mindstorms/story.htm, section 3). The result was incorporated in the NXT as the NXT-G programming software.

Lego even approached Hitechnic – a robotics sensor company owned by MUP member John Barnes – in regards to incorporating one of Hitechnic's sensors in the new NXT system.

Subsequently Hitechnic became a sub supplier to Lego and the compatible sensors are officially certified by the Lego Group as being both compatible with Mindstorms products and the Lego Group guarantees that the sensors live up to the Lego Group's own quality standards (http://www.hitechnic.com/, section 3).

In late August 2005 the MUP and Søren Lund met at a Lego conference in Washington DC, where the final details of the NXT set were agreed upon. Four months later the NXT set was revealed to the public at the Las Vegas Consumer Electronics Show in January 2006.

Needless to say; the product presentation took place in the consumer robotics area of the convention hall (http://nxtbot.com/blog/2006/01/05/2006-ces-report-first-look-at-the-mindstorms-nxt-part-1/, section 1).

Set for public release in August 2006, the physical aspects of the NXT were final but the included programming tool NXT-G and the interaction between the hardware and software were still being developed in early 2006.

Thus – inspired by the success of the MUP cooperation – Lego announced the initiation of the Mindstorms Developer Program (MDP); a 100 man strong Mindstorms enthusiast group entrusted with the task of rigorous beta-testing and troubleshooting of the new product.

From 9.610 applications, Lego chose 100 robot hobbyists with professional backgrounds within diverse fields as software programming, education, engineering and architecture.

The MDP members were to be chaired by the previously mentioned Dr. Mitchel Resnick of the ELG at MIT, who stated that "… the best learning – and the best innovation – happens when people get actively involved in designing, creating and experimenting. The NXT Developer Program is a perfect example of creativity and innovation in action." (http://www.lego.com/eng/info/default.asp?page=pressdetail&contentid=19080&countrycode=2057 &yearcode=2006&archive=true, section 4, l. 5 – 9).

The main differentiating point of the MUP and the MDP – whom Lego Mindstorms director Søren Lund refers to as an extension of the MUP – is that the aforementioned group took direct part in the basic product development. The members of the MDP – apart from having to buy a discounted pre-release edition of the NXT set - were responsible for the adjustment and refinement of the final product (http://www.wired.com/wired/archive/14.02/lego.html?pg=3&topic=lego&topic_set=, section 12).

13.6 The MUP and MDP as brand resources

"Because we are in the business of making a robotics toolset, as opposed to pre-designed or pre-programmed robots, we feel that inviting pioneers from the community broadly enhances the new product and experience for all Mindstorms users in ways that will exceed expectations at both the building and programming levels. Additionally, the diverse backgrounds, talents, interests and livelihoods of these 100 participants confirms the appeal and versatility of the platform we are bringing to market for tinkerers, enthusiasts and roboticists of all ages." (Søren Lund, director of Lego Mindstorms, in a press statement announcing the 100 selected participants of the MDP. Quote from

http://www.lego.com/eng/info/default.asp?page=pressdetail&contentid=19080&countrycode=2057&yearcode=2006&archive=true, section 6, l. 3 – 12).

That the new generation of Lego Mindstorms is referred to as a robotics toolset specifically designed as being open for consumer interpretation and development is in starch contrast to the original RIS set – but much more in sync with the constructionist ethos of the ELG.

Indeed that the MDP was chaired by the cofounder of the ELG – Dr. Mitchel Resnick – further enhanced the constructionist authenticity amongst the robot hobbyists so dedicated to the Lego Mindstorms series.

According to the ELG, the creation of learning is assisted by teachers acting as knowledge facilitators and co-learners, instead of authoritarian one-way-communicating instructors.

The relationship between the MUP and MDP and the Lego Mindstorms division can also be seen as an adherence to this learning approach as the following quote indicates: "Once the MUPers signed on, they sent numerous suggestion to Lund and his team. The executives responded with appeals for feedback on planned improvements. […] The Lego team was eager to piggyback on the work MUP members had already done."
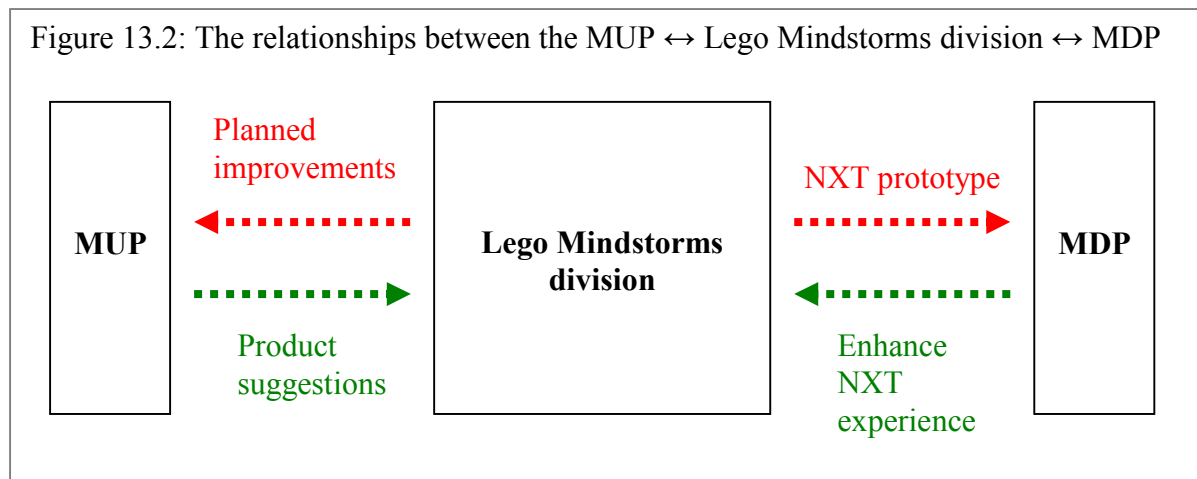
(http://www.wired.com/wired/archive/14.02/lego.html?pg=3&topic=lego&topic_set=, section 4, l. 1 -2 and section 5, l. 1).

Though the teacher-student relationship as propagated by the ELG is not fully compatible with the relationship of the MUP and Lego, the above quotation can be seen as an expression of a partnership where the MUP acted as knowledge facilitators - as a function of their expert experience with the previous Mindstorms set and robotics in general - to Lego.

The MUP were also co-learners in that they were forced to accept the inclusion of limited financial resources as a decisive factor in the development process. According to Søren Lund, the best output occurs when mixing a voluntary and visionary group as the MUP with the commercial corporation

of the Lego Group – and the MUP agrees in that they "… understand that they [Lego] have to work within a budget."

(http://www.wired.com/wired/archive/14.02/lego.html?pg=3&topic=lego&topic_set=, section 8, l. 5).

Figure 13.2: The relationships between the MUP ↔ Lego Mindstorms division ↔ MDP

| MUP | Planned improvements ← -----
 ----- → Product suggestions | Lego Mindstorms division | NXT prototype ----- →
 ← ----- Enhance NXT experience | MDP |

Where the relationship between the MUP and Lego were subject to a high level of secrecy, the MDP would be able to share their experiences with the community and Mindstorms fans at large (http://www.lego.com/eng/info/default.asp?page=pressdetail&contentid=19080&countrycode=2057 , section 8). This effectively replicated the distribution of roles of the MUP-Lego relationship; the members of the MDP acted as co-learners - when debating technical Mindstorms issues internally - and knowledge facilitators when sharing their experiences of the MDP with Mindstorms enthusiasts in general.

An overview of the relationships of the MUP, MDP and the Lego Mindstorms division is provided in figure 13.2.

The ELG acted as insiders of the original Mindstorms RIS set; providing Lego with constructionist authenticity in the eyes of robot hobbyists. Combined with the allowed hacking of the supplied programming software, Lego had supplied a standard robotics kit; well-suited for knowledge sharing and autonomous development.

The most eager of the robot hobbyists – including members of the MUP – had even published books on how to tweak the Mindstorms sets to maximum performance and their most advanced creations had ensured them celebrity-status amongst the robot hobbyists (http://www.wired.com/wired/archive/14.02/lego.html?pg=1&topic=lego&topic_set, section 3). Through years of creative programming and ditto construction, the members of the MUP had achieved a status resembling that of the first insiders – the ELG. The members of the MUP had

taken the supplied industry standard of the RIS and modified and expanded the product dimension of the constructionist ethos of Lego to such a degree that they even produced their own sensors; fully compatible with the original Lego parts (http://www.wired.com/wired/archive/14.02/lego.html?pg=3&topic=lego&topic_set=, section 5). They had disregarded Lego's communication aspects of the RIS (targeted at 10 – 14 year old boys), while successfully changing Lego's behavior dimension - when the RCX Code was hacked - as Lego eventually decided not to take legal action against the unauthorized modifications of the original RIS set.

The robot hobbyists had actually reconnected Lego to the true constructionist ethos shared with the ELG, which Lego had abandoned when including limiting software bundled with step-by-step instructions with the RIS.

As subscribers to the constructionist ethos the robot hobbyists had performed personalization rituals when hacking and creating their robots to ensure that they embodied the ethos properly.

The rituals performed, and the resulting robotics creations, had inadvertently created the foundation for the extensive consumer involvement in the development process of the next generation of Lego Mindstorms.

13.7 The relationship between constructionism and Lego Mindstorms

Initially regarded as a mere extension of the Lego brand to include a programmable brick with its trademarked plastics building bricks, the Lego Mindstorms product line ended up as an all-time top seller of the Lego Group.

Furthermore the main consumer group turned out to be a completely different demographic segment than the initially targeted bread-and-butter market of boys in their early teens (Beland et al, 2000, p. 26).

According to Søren Lund, the main motivation for these adult consumers' interest in the Mindstorms product has its starting point in their professional lives. Lund states that e.g. many software engineers "… when working on a program for e.g. the administration, […] don't experience the art of their work. But with Mindstorms they are able to see their work come alive. Here, finally, the IT-employees can see what they create because their programming receives a physical expression." (http://clausthorhauge.dk/2006/08/15/lego-leger-med-open-source-for-alvor/, section 11, 1 – 3).

This quote strengthens the argument of the robot hobbyists' adherence to the constructionist ethos in that their professions are limiting their creativity - their 'art' - when engineering an administrative software program.

The supplying of building instructions to predefined robots and the limited programming ability of the original Lego Mindstorms software, made the Mindstorms experience reminiscent to programming a software program, where individual creativity were severely hampered by the inherent restrictions and requirements of the specific program development process at hand.

When hacking the Mindstorms software, the Lego Mindstorms product line suddenly allowed the robot hobbyists to express themselves as creative innovators while at the same time fulfilling a basic need for a tangible output stemming from their intangible inputs as 'their programming receives a physical expression'.

These experiences of the robot hobbyists' motivation for altering the original RIS were incorporated by Lego when engaging the MUP and MDP in the development of the NXT.

The development of the RIS and NXT is showed in figure 13.3 which incorporates the relationships between the different actors active in the two product development processes.

Although the Lego Group and the ELG cooperated on the RIS set, the product was first truly adhering to the constructionist ethos – as propagated by the ELG -when the robot hobbyists hacked the programming software.

Thus it can be argued that the meaning transfer of the constructionist ethos from the culturally constituted populist world - in the form of the ELG - to the Lego Mindstorms division was actually taking place, but that Lego failed to manifest it in its RIS product line. The limiting software prohibited the constructionist ethos to be properly drawn from the product to the consumer trough rituals – this meaning transfer process first took place when robot hobbyists – following the constructionist ethos - performed unauthorized personalization rituals. That these were subsequently condoled by the Lego Group legitimized in the eyes of the followers – the robot hobbyists - the RIS's claim of authentic subscription to the constructionist ethos.

Figure 13.3: The development of the RIS and the NXT

Lego Mindstorms RIS
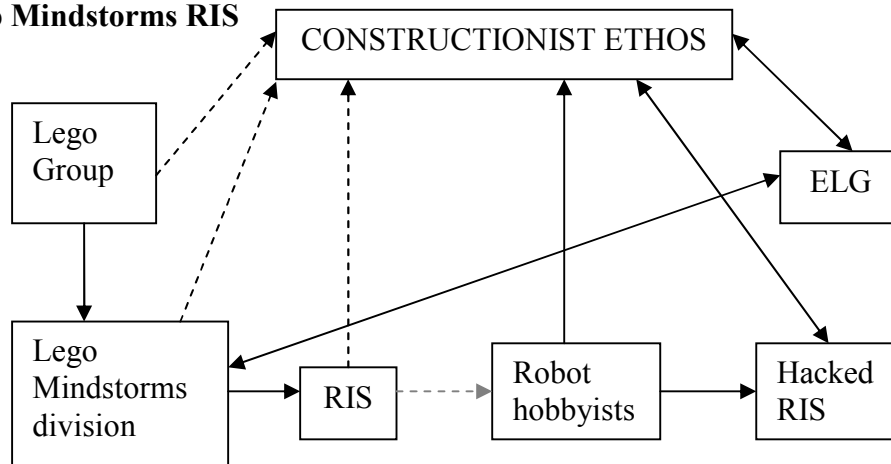
Lego Mindstorms NXT
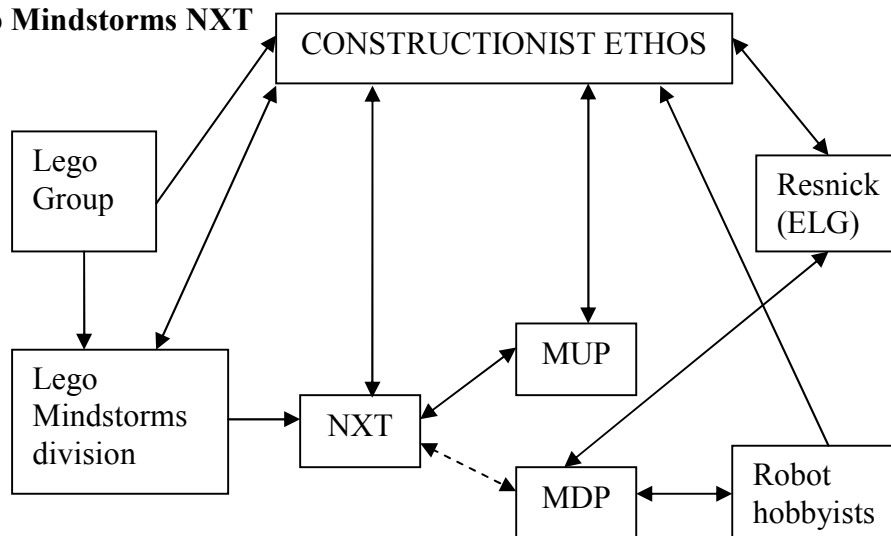
Note: The solid arrows designate a direct involvement/relationship, a dotted arrow designates a limited involvement/relationship and a grey dotted arrow designates an unofficial involvement/relationship. A single arrow head indicates a unilateral relationship and a double arrow head indicates a mutual relationship.

The RIS set was not fully acting as a conveyor of the basic idea of constructionism in that while the behaviour and communication dimension (to a certain degree) embodied the ideals of the ethos, the product itself did not.

The Lego Mindstorms division's affiliation with the ELG and the constructionist ethos embodied in the brand name of Lego Mindstorms (named after the book 'Mindstorms: Children, Computers, and Powerful Ideas' by the pioneering constructionist Dr. Seymour Papert) RIS (Robotics Invention System where the term Invention clearly refers to creativity) was exhibiting the basic idea; although somewhat hampered by the Lego Group's marketing focus on teenagers. Again the basic

configuration of the programming software was the culprit; failing to exhibit the basic idea in the product dimension of the brand which in effect closed the constructionist text.

This was eventually forced open by robot hobbyists who – acting as true bricoleur consumers - disregarded both the intended target market of Lego and the intellectual property rights; and – as previously mentioned – actually reconnected Lego to the constructionist ethos through their creativity.

The RIS was now seen as authentic to the constructionist ethos by allowing the consumers to alter the software and create exotic robots; which also increased the relevance of the product towards the consumers. They could now integrate the RIS set as an idea with which to creatively address their need for a tangible output of their intangible inputs.

The follow-up to the successful RIS was the NXT launched in mid-2006.

Right from the start of the development process the Lego Mindstorms division headed by Søren Lund focused on consumer co-creation. From the beginning the set was developed and marketed as a robotic toolset suitable for autonomous development.

The previous – eventually allowed - hacked RIS set had rooted the Lego Mindstorms division in constructionism and the decision to include consumers in the development of the succeeding product was based on the assumption that RIS pioneers would enhance the overall product experience.

The members of the MUP were described as "… zealots…" and as "… a critical asset for products like Mindstorms that rely on word-of-mouth evangelism.". The four members were also enjoying an "… exalted insider status..." with the Lego Mindstorms division (the three aforementioned quotes are from http://www.wired.com/wired/archive/14.02/lego.html?pg=3&topic=lego&topic_set, section 14, l. 2 – 3 and section 12, l. 2). They were the de facto link between the Lego Mindstorms division and the constructionist ethos.

The later inclusion of the MDP to test the software-hardware configuration of the NXT product differs markedly from the MUP which was participating in the basic development and product design process. The MDP members were selected through an open application process where they had to fulfil certain requirements whereas the MUP were approached and handpicked by Lego Mindstorms director Søren Lund and his team.

The MDP were encouraged to share their experiences with the robot hobbyists of the general Mindstorms community and can thus be seen as linkage between the NXT, the robot hobbyists and the constructionist ethos – a linkage further enhanced by Dr. Mitchell Resnick of the ELG chairing the MDP

(http://www.lego.com/eng/info/default.asp?page=pressdetail&contentid=19080&countrycode=2057 &yearcode=2006&archive=true, section 3).

Simultaneously with the launch of the finished product in August 2006, Lego decided to release the firmware of the NXT brick as open source; allowing the robot hobbyists to tweak and twiddle the performance of the set. This action was motivated by Søren Lund who stated that "… given the strong user base and versatility and power of the NXT platform, the right to hack is a 'no brainer'. We're excited to see how our open approach will push new boundaries of robotic development and are eager for all enthusiasts to share their creation with the community."

(http://www.lego.com/eng/info/default.asp?page=pressdetail&contentid=20154&countrycode=2057 &yearcode=2006&archive=true, section 5, l. 1 – 5).

This can be seen as an adherence to the need for authenticity and relevance in conveying the idea of constructionism of which consumer interaction is an integral part.

The Lego Mindstorms division had learned from the experiences with the RIS and incorporated this knowledge in their development of the NXT – the division had unknowingly adhered to the principles of the six learning methods propagated by Buhl through which a brand can become a learning brand; thereby best sharing the brand's basic idea with the consumers.

As previously mentioned the NXT fulfilled the three required dimensions of a brand (product, behaviour and communication) – and by open the development and testing process with the consumers the knowledge and conversation aspects were also addressed.

The physical reality of the NXT was also altered significantly in that "The chunky yellow [RCX] brick in the old kit […] is gone, replaced by a grey rectangle that could be the love child of an iPod and a first-gen Gameboy. […] the [Lego] Technic pieces give the robots a sleeker, less boxy look." (http://www.wired.com/wired/archive/14.02/lego.html?pg=1&topic=lego&topic_set, section 9, l. 8 – 10 and section 12, l. 4 – 5).

In addition to this altered physical reality, the Lego Mindstorms division was inspired by the computer company Apple and how they had revolutionized the way consumers experience music when introducing the portable music player; the iPod. Indeed, the unofficial slogan for the NXT development team at the Lego Global Innovation and Marketing department was "We will do for robotics what iPod did for music..."

(http://www.wired.com/wired/archive/14.02/lego.html?pg=3&topic=lego&topic_set, section 6, l. 4).

The social reality of the robot hobbyists were the main reason why the Lego Group decided to release the firmware of the NXT brick as it would increase the performance and relevance of the set for the robot hobbyists, while also addressing the fact that since the RIS software was immediately

hacked upon release, the same would most likely occur with the NXT. Instead of suing for breach of intellectual property rights, the Lego Mindstorms division made the robot hobbyists co-creators of the Mindstorms brand.

Apart from embracing third-party development in the form of the cooperation with Hitechnic and the MUP-MDP-development process of the NXT, the storytelling of the NXT as a conveyor of the constructionist idea was also addressed by Lego sponsoring the MIT Media Lab (home of the ELG). The Lego Mindstorms division also participates (together with the American space program agency NASA) in the US First Coopertition (short for <u>cooper</u>ation and compe<u>tition</u>) where youths participate in technology and science activities including creating robots based on the NXT set (http://usfirst.org/aboutus/sponsors/content.aspx?id=210).

13.8 Utilizing a comparable ethos to perform brand extension

Buhl states that "… good ideas […] are capable of changing not only the lives of the consumers, but also the companies and their business perspectives." (Buhl, 2008, p. 102, l. 9 and l. 12 – 14). This was experienced firsthand by the Lego Mindstorms division who joined forces with Mindstorms zealots to develop the successor to the hugely successful RIS set.

The consumers had transformed the Lego brand extension into an entirely different creature and the Lego Group had been fortunate enough to employ the visionary Mindstorms director Søren Lund who fought and won the Lego lawyers when allowing for autonomous consumer innovation.

The Mindstorms line unintentionally became a discontinuously developed product in the hands of the robot hobbyists who eventually made up almost three quarters of the RIS consumers whose dedication to the brand ultimately connected the Lego Mindstorms division directly to the constructionist ethos which was only partly adhered to by the Lego Group in general.

The positive impact of the involvement of the MUP and MDP on the Lego Group's general view on increasing consumer co-creation is evident in the Lego Group Annual report 2006. Here, it is stressed that future product development will include the knowledge obtained by Lego consumers (Lego Group Annual report 2006, p. 19). Therefore the Lego Mindstorms division's inclusion of consumers influenced the Lego Group to reflect the constructionist ethos more thoroughly; which is why the line connecting the Lego Group to the constructionist ethos is solid in the NXT-part of figure 13.3.

Discontinues product development is a basic point in Buhl's theory of the learning brand, but the Lego Mindstorms division realised that it did not have the competencies and resources in-house to develop a robotics toolset from scratch – so it co-developed the RIS with the ELG and the NXT with the MUP and MDP. Though the final product development of the RIS took place when

consumers hacked the RCX Code, the cooperation with the ELG has aligned the Lego Mindstorms division with the constructionist ethos which formed the foundation of the next generation of robotics toolsets.

By including the MUP - and to a lesser extent the MDP - and by releasing the open source firmware of the NXT brick, the Lego Mindstorms division ensured that the constructionist ethos was authentically embedded in the brand.

The approach to playful learning that the Lego Group prides itself of was "… a very close match to the philosophy of choice [constructionism] at the MIT Media Laboratory's Epistemology and Learning Group." (Beland et al., 2000, p. 24, l. 11 – 13).

Though initiated by a coincidence – when the then-president of the Lego Group read Dr. Papert's 'Mindstorms'-book – the comparable ethos of the Lego Group and the ELG (who propagated the ethos of constructionism) laid the foundation for the relationship and cooperation that eventually resulted in the RIS in 1998.

By allowing and later embracing and encouraging the consumers' co-creation of the product and its successor – the NXT – the Lego Mindstorms division had tapped into the culture of innovation prevalent amongst the robot hobbyists.

Lego had learned that the consumers' use of the RIS set would challenge their entire business premises but Søren Lund had been steadfast in his beliefs that these robot hobbyists would provide an invaluable asset to an enhanced Mindstorms experience.

The RCX and NXT programmable brick was physically co-developed with external stakeholders - the ELG and MUP respectively – as Lego did not have the relevant competencies in the fields of software programming and computational hardware configuration. Lego did however subscribe to an ethos comparable to that of the ELG and – by allowing the hacking of the original RIS – Lego also came to share the constructionist ethos with the robot hobbyists. This made the co-creating insiders positive towards participating in the development of what was basically a commercial product aimed at an undeveloped niche in the 'bread-and-butter' market of Lego.

The succeeding consumer behaviour altered this market focus significantly and the NXT is the result of the Lego Group accepting and integrating that fact.

The product dimension of a brand is somewhat neglected in the cultural branding theories of McCracken and Holt whereas Buhl argues that the discontinuous development of the learning brand includes different products embodying the same basic idea. There are some objections to this lack of attention to the physical manifestation of a brand. Though a company acknowledges a certain product type as being ideal for conveying its idea, it is not certain that the knowledge required to create such a product is held by the company.

Neither is the view that the decision on how to perform a brand extension is exclusively taken by the company as part of an overall strategic brand management validated by the case of the Lego Mindstorms.

On the contrary the true value of the brand extension was first realized when the product was hacked by exogenous robot hobbyists who recognised the potential of a robotics industry standard inherent in the omnipresent Lego bricks cobbled with a programmable brick.

Holt argues that the iconic brands have succeeded by addressing a cultural contradiction legitimized by populist insiders – this is also evident in the Lego Mindstorms case. The inclusion of the ELG in the RIS development proved to be vital for the robot hobbyists' motivation to create a mental link between constructionism (adhered to due to a need for tangible outputs of creative, intangible inputs) and Lego in opposition to the prevailing instructionist approach to learning and creation. This link was further manifested physically in the NXT where insiders of the constructionist ethos participated directly n the development of the new product.

The product might be legally owned by the Lego Group but the brand of Lego Mindstorms was shaped and vastly enhanced in the hands of the consumers through rituals highly resembling the personalization rituals of McCracken.

Thus the individually altered Lego Mindstorms sets had become conveyors of the constructionist ethos to which the robot hobbyists subscribed. The empty brand markers which a company has to fill with cultural meaning according to Holt and McCracken were in the case of Lego Mindstorms refilled by the consumers to better address their needs.

14. Discussion

Though the amount of information on the Lego Mindstorms available through various websites is immense, it can be argued that a personal interview with director Søren Lund or some of the key personal at the Mindstorms division and the MUP would have contributed to an enhanced understanding of the reasons and motivations of the different actors in the development of the robotics toolset.

However the articles – mainly from www.wired.com and www.clausthorhauge.dk – and the scientific paper 'Lego Mindstorms: The structure of an engineering (r)evolution' includes a range of exhaustive exploratory interviews – focusing on explaining the background and product development process - with representatives of the previously mentioned key employees/stakeholders of the Lego Mindstorms. Nonetheless it would have added an extra

dimension to the analysis had a personal interview been conducted with either of the Lego Mindstorms stakeholders.

The lack of more specific financial details concerning the Lego Mindstorms to disclose the products' actual performance in regards to concrete sales number is an aspect which could have benefitted from more extensive scrutiny by the author.

Unfortunately the Lego Group does not segment its turnover and development and production costs in regards to the different product lines which make it unfeasible to conduct a more detailed financial analysis. But according to the then-CEO of the Lego Group – the current Deputy Chairman of the Board Kjeld Kirk Kristiansen - the RIS by far exceeded the sales expectations even when the Lego Group as a whole suffered a historic deficit in 1998 (http://www.business.dk/diverse/lego-underskud-paa-knap-300-mio.-kr, section 8).

The succeeding NXT was also a sales hit as indicated in the Lego Group's Annual report for 2006, which states that "The results are considerably better than expected at the beginning of the year and after the fist six months of the year, and are considered highly satisfactory. […] Finally, sales of the […] Lego Mindstorms […] developed more positively than expected." (Lego Group Annual report 2006, p. 7, cl. 1, l. 5 – 9 and cl. 2, l. 3 – 7. The Annual report 2006 can be downloaded from www.lego.com/eng/info/default.asp?page=annualreport).

The report also states that the consumer involvement in the development of the NXT resulted in a product that was "… considerably improved through the exchange of ideas and the dialogue between the company and the users." (Lego Group Annual report 2006, p. 18, cl. 2, l. 16 – 19). Furthermore the report also indicates that due to the success with the involvement of the consumers in the Mindstorms development, the Lego Group will "… aim at integrating the insight and inspiration which the Lego Group obtains from its users, and will create possibilities of attaching core consumers closer to the company. Furthermore [… the Lego Group] will work at identifying further business initiatives that may form the basis of future growth." (Lego Group Annual report 2006, p. 19, cl. 1, l. 7 – 15).

15. Conclusion

The purpose of this thesis has been to explain how brands can succeed in brand extensions from a cultural branding viewpoint. The first part of the thesis has focused on analysing and comparing the three different cultural theories to the more traditional brand essence philosophy.

The second part has been a case study of the Lego Mindstorms product line, analysed with the principles of cultural branding.

In this section the two sub research questions will first be addressed; followed by an answer to the main research question.

How do the cultural branding theories compare to each other and to the more traditional brand extension theory?

The theories of McCracken and Holt have shown to complement each other in interpreting and explaining the creation and movement of cultural meaning originating in subcultures and manifested in the insiders/opinion leaders residing in these subcultures. Consumers who are not part of this subculture but are attracted the its ethos are denoted as followers and these are the consumers most likely to perform the meaning transfer rituals as propagated by McCracken as insiders are meaning creators and feeders simply do not regard the subcultural ethos as important enough to perform rituals to obtain it.

However the two theories also differ from each other in that Holt argues that meaning of brands can also be created by the consumers, whereas McCracken sees the consumers as somewhat passive recipients of cultural meaning.

The passivity of the consumers in regards to branding is shared by Kapferer who propagates an inside-out perspective of branding; repeating the brands essence - compromised of a handful of identifying traits – towards the consumers. This attitude towards the consumers is heavily criticized by Buhl who argues that the climbing brand theory – which equals the brand essence theory of Kapferer – severely fail to recognize that the true owners of a brand are the consumers, not the band holding company. In fact today's consumers are actively contributing to the creation of a brand; regardless of the brand essence propagated by the companies – subscribing to either one of the three brand dimensions – product, behaviour and communication – they see as compatible to integrate in their lives.

Buhl argues that brands must emit a basic idea which addresses a general human need – this view is similar to the ethos of the populist worlds of McCracken; where insiders offer ideas on how to live life. The consumers are demanding ideas to live their lives with and when a brand is seen as authentically rooted in a subculture offering just that; the brand will acts an exponent of that idea/ethos originating from a given subculture. The consumers who are subscribing to this idea – the followers - are not, however, passive recipients of the promoted idea and they will seek to integrate the promoted idea in several aspects of their lives. This is addressed by Buhl who advocates a discontinuous product development in order to address this so-called brand bricolage. The integrated view of the product dimension of the brand is contradictory to Kapferer who argues

for a defensive approach to brand extension; by incrementally moving away from the brand's original product type.

The product dimension is not directly addressed by McCracken and Holt as they primarily focus on the communication and behaviour aspects of the brand which they argue must be authentically rooted in a subculture. However, based on the theoretical discussion it seems highly plausible to claim that the need for authenticity to the subcultural ethos must also be adhered to when it concerns the physical manifestations of the brand.

How can cultural branding principles be applied in order to successfully extend brands?

The promoted principles of cultural branding promoted by McCracken, Holt and Buhl are utilized in the analysis of the Lego Mindstorms product line.

The original RIS set was developed in cooperation with the ELG of the MIT – this was made possible by the comparable philosophy – constructionism - of the Lego Group and the ELG. However the commercial considerations of the Lego Group altered the original RIS sets and limited the consumers' creativity by bundling somewhat restrictive programming software with the programmable brick. Therefore the true connection to the constructionist ethos was first made when followers of this ethos – the adult robotic hobbyists – hacked the software and began creating exotic robots far from the originally supplied robotics building instructions.

The Lego Mindstorms division could have chosen to take legal actions against this apparent violation of intellectual property rights but chose not to. This move – or lack thereof - was seem as a sign of condolence of the robot hobbyists' creativity which only added to their perception of sharing the constructionist ethos with the Lego Mindstorms division.

Eight years after the launch of the RIS, the NXT was unveiled in 2006. Though the Lego Group still sponsored the ELG, the development of the NXT was conducted together with a small 'elite force' of robot hobbyists who had obtained celebrity status amongst fellow robot hobbyists for their remarkable robotics creations.

This voluntary group, the MUP, had participated on equal terms with salaried employees of the Lego Mindstorms division in the hardware and software development and configuration of the second generation of the Lego Mindstorms robotics toolsets.

The initial worry of the MUP leaking their inside-knowledge to competing companies proved unwarranted as they were extremely loyal and dedicated in their work. So much, in fact, that the success with the MUP inspired the Lego Mindstorms division – after the basic configuration of the

product had been decided - to recruit another 100 robot hobbyists to act as beta-testers in the MDP program in the months leading up to the product's official launch in August 2006.

When first engaging the ELG, the foundation of the Lego Mindstorms brand extension as an authentic propagator of the constructionist ethos in the eyes of the robot hobbyists was created. Though the Lego Mindstorms division originally acted in opposition to this ethos by limiting creativity, the fact that it allowed the subsequent autonomous development of the product, strengthened the link.

The knowledge necessary to develop a robotics toolset was not available in-house to the Lego Group. By approaching an entity – in the RIS's case the ELG and in the NXT's case the robot hobbyist zealots – containing such knowledge and with a comparable ethos, the initiation of a mutually beneficial co-creation of the brand extension was made possible.

The direct involvement of the insiders of the constructionist ethos – apart from participating in the physical product development – also addressed the need for the Lego Mindstorms to be perceived as authentically rooted in constructionism in the eyes of the followers; the adult robot hobbyists. Thus the personalization ritual of obtaining the constructionist ethos was legitimized which in return spurred the scale and scope of the creativity of the robot hobbyists even further.

The active consumers had seized control of the Lego Mindstorms brand extension and tweaked the basic product to better fit their needs for tangible outputs of creative, intangible inputs.

The most zealous and talented of these enthusiasts had bridged the gap between the subcultural ethos of the culturally constituted populist world of constructionism and the original product offering through brand bricolage; utilizing the brand extension's product dimension – and disregarding the communication and, to a certain extent, the behaviour dimension – to fulfil their need for a robotics construction standard. These zealots became insiders of the constructionist ethos by altering the brand's basic idea and became a vital factor in the succeeding Lego Mindstorms NXT's claim of constructionist authenticity.

How can brands succeed in brand extension from a cultural branding viewpoint?

The analysis of the three theories of cultural branding included in this thesis and the case study of the Lego Mindstorms, shows that it is a combination of several factors that contribute to the explanation on how brands can succeeds in brand extensions from a cultural branding viewpoint. First, it is vital that a company realises that its brand must emanate the basic idea/ethos though the three brand dimensions. It must also acknowledge that the brand is created in the minds of the consumers. If they detect an inconsistency between the three brand dimensions in regard to the

brand acting as an authentic conveyer of a basic idea, the consumer will disregard the contradicting aspects and tweak the brand to better fit their needs.

Second, brand extensions must be seen as an integral part of the discontinuous nature of a learning brand. This because a brand – as a conveyer of an ethos/idea – is already an extension; it is the physical manifestation of a subcultural ethos.

Third, insiders of an ethos comparable to that of a company's can be engaged in product development and brand extension, where they – apart from their technical expertise on a given product market – can supply authenticity and legitimize the company's claim of truly adhering to a relevant ethos.

16. Perspectives

The purpose of this thesis was to explore how brands can succeed in brand extension from a cultural branding viewpoint. The conclusion answers this question along with the two sub research questions by drawing on the theoretical discussion of the cultural branding theories and the case study of Lego Mindstorms. However there are several areas which either has only been briefly touched upon or neglected altogether; due to the inherent constraints of their relevance to the research question and the size limitations of the thesis.

These research areas are listed below as the author's propositions on which potential aspects of the thesis' findings that could be relevant for further studies.

The Lego Group was successful in utilizing consumer co-creation when extending into the world of consumer robotics – but it was only due to the persistency of the director of the Lego Mindstorms division that the robotic hobbyists were accepted as co-creators.

The risk of internal data being leaked to competing companies and the risk of product plagiarism were the critical points of the Lego Group's legal department resisting this drastic step towards more consumer innovation. However their concerns proved unwarranted as the loyalty of the included consumers was unquestionable.

Nonetheless the need for uncovering the risks involved when including external stakeholders versus the potential gains of the same would make an interesting case to analyse.

Also a closer exploration into the types of products that lend themselves well to consumer co-creation when performing brand extension could yield interesting results.

It would most likely prove to an interesting case for analysis if the results of this thesis could be applied retrospectively to other successful brand extensions to see how well these findings lend themselves to empirically-backed generalization.

17. Bibliography and webography

The following books, scientific papers/articles and websites were used as source material for this paper

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- <u>Culture and consumption II: Markets, meaning and brand management</u> – McCracken, Grant– Indiana University Press – 2005
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17.2 Scientific papers and articles

- <u>Culture and consumption: A theoretical account of the structure and movement of the cultural meaning of consumer goods</u> – McCracken, Grant – Journal of Consumer Research, vol. 13, June, 2006
- <u>Lego Mindstorms: The structure of an engineering (r)evolution</u> –Beland, Christopher et al. – December 15, 2000 – The scientific paper was downloaded from the Massachusetts Institute of Technology's website (www.web.mit.edu). The exact website address is http://web.mit.edu/6.933/www/Fall2000/LegoMindstorms.pdf
- <u>Annual Report 2006 of the Lego Group</u> – The official 2006 annual report of the Lego Group in English. Downloaded from www.lego.com/eng/info/default.asp?page=annualreport

17.3 Websites

- <u>www.imdb.com</u> – Website of The Internet Movie Database; a vast collection of movie information generated by the users and the owners of the website.
- <u>www.marketingpower.com</u> – Official website of the American Marketing Association.

- www.gizmohighway.com – Website dedicated to electronics and technology.
- www.politiken.dk – Danish newspaper Politken's official website.
- www.harley-davidson.com – Official website of American motorcycle company Harley-Davidson.
- www.hotbikeweb.com – Official website of the American motorcycle magazine Hot Bike.
- www.time.com – Official website of the American weekly newsmagazine Time.
- www.lego.com – Official website of the Lego Group.
- www.wired.com – Official website of the American monthly technology magazine Wired.
- events.oreilly.com – Website listing events hosted by the American media company O'Reilly Media. It is a sub-website of the official O'Reilly Media's website; www.oreilly.com (please note the lacking www. in front of sub-website address).
- www.gizmodo.com – Official website of the consumer electronics weblog Gizmodo. www.web.mit.edu – Official website of Massachusetts Institute of Technology
- www.media.mit.edu – Official website of the MIT Media Lab at the MIT.
- museum.mit.edu - Official website of the museum of the MIT (please note the lacking www. in front of website address).
- www.teamhassenplug.org – Official website of the MUP member Steve Hassenplug.
- www.papert.org – Website of Dr. Seymour Papert.
- www.ni.com – Official website of American software company National Instruments.
- www.hitechnic.com – Official website of the robotic sensor company Hitechnic which is owned by MUP member John Barnes.
- www.nxtbot.com – Website previously sponsored by the Lego Group covering consumer robotics. As of 2007 wholly owned by freelance technology author Jeff James.
- www.clausthorhauge.dk – Official website of Danish computer journalist Claus Thorhauge who have worked freelance for several Danish news media including Berlingske Tidende, Jyllands-Posten and Børsen.
- www.usfirst.org – Official website of the American organization FIRST (For Inspiration and Recognition of Science and Technology) which seeks to promote science and technology amongst the American youth.
- www.business.dk – The official business website of Danish newspaper Berlingske Tidende.
- www.flickr.com – Website where private users can upload and share their pictures and videos with each other.

- thenxtstep.blogspot.com – Website where Lego Mindstorms users share construction projects and news and information related to the Lego Mindstorms NXT.

Please note: The illustration on the front page symbolizes a successful brand – the golden figure – differentiating itself from the grey mass of competing brands. The picture is from the following website address:

http://www.flickr.com/photos/lumaxart/2149419197/sizes/o/

18. Appendix 1: General structure of the thesis
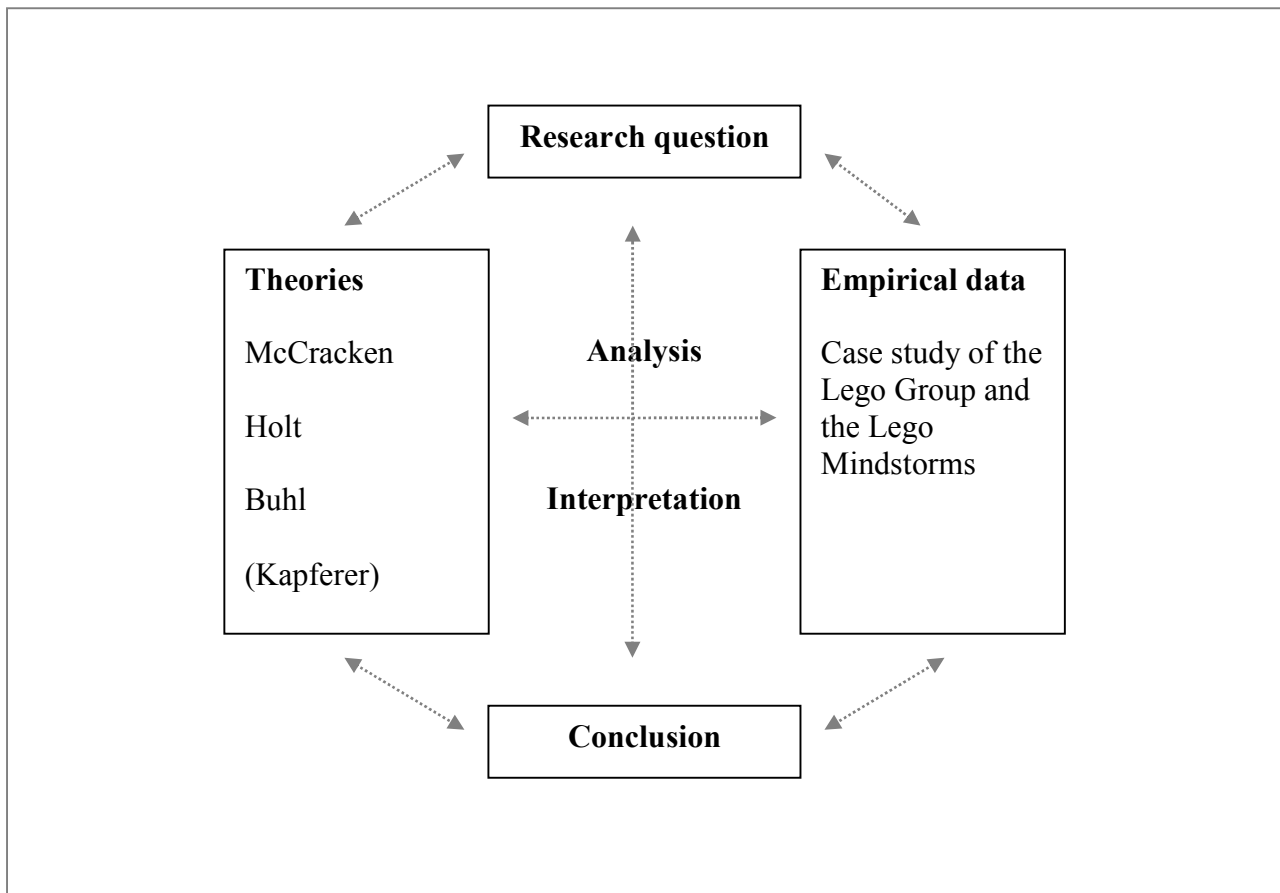
The above figure is based on the figure 'The main elements and procedure of the knowledge production' (translated from Danish. Based on Andersen, 2005, p. 24).

19. Appendix 2: Harley-Davidson motorcycle models

1957 – Harley-Davidson XL Sportster

http://www.harley-davidson.com/wcm/Content/Pages/H-D_History/1957_1.jsp?locale=en_US

1982 – Harley-Davidson FXR/FXRS Super Glide II

http://www.harley-davidson.com/wcm/Content/Pages/H-D_History/1982_1.jsp?locale=en_US

1986 – Harley-Davidson Heritage Softail

http://www.harley-davidson.com/wcm/Content/Pages/H-D_History/1986_1.jsp?locale=en_US

20. Appendix 3: Official Lego Mindstorms robots and the Red, the RCX and the NXT programmable brick

1. **1998 - Lego Mindstorms Robotic Invention System**
2. **2006 – Lego Mindstorms NXT**
3. **2009 – Lego Mindstorms NXT 2.0**
4. **1996 – The Red Programmable Brick**
5. **1998 – The RCX programmable brick**
6. **2006 / 2009 - The NXT and NXT 2.0 programmable brick**

The pictures are from http://www.granneman.com/images/legoMindstorms.jpg, http://www.kampkoder.dk/?p=94, http://legosip.blogspot.com/2009/05/220509-lego-8547-mindstorms-nxt-20-box.html, http://el.media.mit.edu/logo-foundation/pubs/logoupdate/v7n1/v7n1-pbrick.html, http://www.acm.org/crossroads/xrds10-4/gfx/toys1.jpg and http://www.unomaha.edu/aimforthestars/img/nxt.jpg respectively.

21. Appendix 4: The 'turtle'

To the left: Children program a 'turtle' to draw a multi-circular figure resembling a teddy bear. *To the right:* A close-up of a 'turtle' labelled 'ARTHUR'.

http://www.wired.com/geekdad/2007/03/the_origins_of_/ and
http://museum.mit.edu/150/entries/1158

22. Appendix 5: The Lego Mindstorms director and the MUP

The Lego Mindstorms director Søren Lund surrounded by the four members of the MUP

From left to right:

- Steve Hassenplug – Mindstorms enthusiast and software engineer

- John Barnes – Electronics engineer and owner of robotics sensor company Hitechnic

- Søren Lund – Director of Lego Mindstorms

- David Schilling – Cofounder of the Seattle Mindstorms And Robotics Techies

- Ralph Hempel – Software engineer and author of several Mindstorms books

Picture from http://thenxtstep.blogspot.com/2008/04/nxt-mup-members.html