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The History of Branding – in 35 seconds

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The History of Branding

- Widely known to be developed by Proctor and Gamble Co. circa, 1930's
- But it was actually Alfred Sloan Jr. at General Motors in 1927, in response to Henry Ford's Model T
- Sloan introduced the concept of planned obsolescence through cosmetic changes
- Encouraged consumers to "trade up" as their circumstances improved
- Focus on status perceptions, artificial needs and superficial change



The History of Branding

- Sloan's idea was to focus on the brand rather than the product as the best way to achieve lasting profitability
- Products have life-cycles and eventually die
- Brands on the other hand, properly managed, last forever



The History of Branding

- A similar argument was made by Neil McElroy to his superiors at P&G in 1931
- He sent a 3-page memo and argued that each brand needed to be managed by a separate team
- Their sole focus should be to drive that brand to the No. 1 position, even if it meant competing against other "house" brands



The History of Branding

- Post WW II economic expansion ignited efforts to develop priority brand theories
- Norman B Norman used the theory of empathy
- David Ogilvy used brand personality
- Ted Reeves developed the unique selling position
- The brand was becoming the essence of marketing
- And advertising was the public face of the brand