Abstract

While historians and management students are familiar with the lore of how an internal memo at Procter & Gamble ‘invented’ brand management in 1931 (Fullerton, Low 1994; Dyer et al. 2004), little is known about how advertising agencies conceptualised and practiced branding during the early parts of the twentieth century. This paper presents evidence that by the 1920s advertising agencies drew on shared forms of implicit knowledge about consumer psychology which anticipated post-1950s debates about brand image, brand personality, brand identity, lifestyle brands and the global brand. I argue that large-scale, international advertising agencies discovered the symbolic and emotional capacities of brands in building consumer loyalty and in forming certain consumer identities much earlier than usually acknowledged. American and British agencies developed the field of tacit knowledge about the brand-consumer relationship as a source of competitive advantage in the competition for clients which increasingly sought consumers in overseas markets.

Keywords: brands, marketing, advertising, advertising agencies, business history

JEL Classification: M31, M37, N84

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There is no doubt that if this country wants to maintain their position in the world markets ‘branded goods’ is the only method as a hall-mark of quality. … The private trade-mark is the keystone in modern commerce.

*Advertiser’s Weekly*, August 29 1918

In late August 1918, the British trade journal *Advertiser’s Weekly* predicted that the future of world commerce belonged to the branded commodity that was protected by a registered trade mark. While the article quoted above used the terms brand and trade mark as virtually synonymous, modern trade mark law argues that trade marks are essentially pieces of intellectual property and as such are part of the legal realm, whereas brands are trade marks that have been loaded with social and cultural meaning (Phillips 2003; George 2006). Trade marks are a type of intellectual property. They consist of names, words, phrases, designs, images or a combination of these to exclusively identify the commercial source of a product or service. A brand, in turn, is a trade mark that has been ‘released’ to compete in the socio-cultural sphere of the market. Whereas a trade mark

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1 ‘National Trademark inimical to established brands’, *Advertiser’s Weekly* (August 29 1918): 464-5.
mark is a purely legal entity operating in a commercial context the brand is a ‘cross-over’ concept:

It is an image or a message which is embodied in icons which are protected by trade marks, while being embedded in cultural as well as commercial contexts. Checks on the abuse of trade mark monopolies will not be brought to bear on abuses of the power exerted by the owner of a brand image

Phillips (2003: 658). This understanding of the relationship between trade marks and brands is supported by De Chernatony (2003) and Aaker (1997, 2002), who argued that being a legal instrument – in form of a protected trade mark – is just one aspect of the multiple functions of a brand. A brand is much more than merely a ‘legally defensible proprietary name’ (Lopes 2007: 5) and it serves more than as a differentiating device, indicating source: brands are essentially identity systems, encompassing a personality, a relationship, and an image in consumers’ minds. Schultz’s model of corporate branding sees the function of a trade mark in facilitating brand awareness and recognition, ‘encouraging consumers to hold special expectations about the promises of the brand – whether it is a promise of special quality, unique experience, or personal identity’ (2005: 25-6).

Brands and branded products have existed since at least the early modern period and the late eighteenth and early nineteenth centuries saw a proliferation of such goods which began to be promoted through various advertising tools such as leaflets and bills, trade
cards or advertisements in magazines and newspapers (McKendrick 1960; McKendrick et al., 1982; Breen 1988; Berg 1994; Strachan 2003). The mid-nineteenth century somewhat interrupted and revolutionized the continuous growth of branding and marketing communication in two aspects. One the one hand, laws emerged in Britain and in the United States which commodified the knowledge of the commercial source of a product, by that reinventing branded goods as trade marks (Sherman, Bently 1999; Duguid 2003; Andersen 2006). One the other hand, advertising agencies emerged which began to assume an increasingly powerful mediating role between branded goods and their consumers. Since the mid-nineteenth century, advertising agencies performed the role of charging and loading trademarked goods with meaningful and often purely symbolic connotations to aid consumer decision-making in the marketplace. Agencies for example began to decide which information about a product should be presented to consumers in what kind of way (Arvidsson 2006; Brierley 2002; Lury 2004; McFall 2004; Leiss, Kline, Jhally, Botterill 2005; Lash, Urry 1994).

Marketing historians have traditionally focussed on how advertising agencies promoted particular products, created specific campaigns, or built particular product images for soaps, cigarettes or cars. In addition, business historians acknowledge the role that advertising agencies played in externalising marketing as a management function, by that creating a body of specialised knowledge about markets and consumers (Chandler 1990; Wilson, Thompson 2006). However, little is known about how the advertising industry in general developed a conceptual understanding of the branding process during the last century. Given that brands are embodied and externalised forms of knowledge about the
consumer decision-making process and the competitive advantage of a product there is surprisingly little research on when and how advertising agencies first developed this knowledge and how agency professionals rationalised and conceptualised the process of turning their clients’ intellectual property, i.e. trade marks, into meaningful and collectively shared symbols, i.e. brands (e.g. Wilkins 1992; but see Fullerton, Low 1994; Lopes, Casson 2007).

Interbrand’s Tom Blackett (2003: 15) for example writes that:

Hand in hand with the introduction of brands came early trade mark legislation. This allowed the owners of these brands to protect them in law. The birth of advertising agencies such as J. Walter Thompson and N.W. Ayer in the late nineteenth century gave further impetus to the development of brands.

This statement is typical of contemporary popular knowledge in that it is unspecific at best and chronologically wrong at worst since the two agencies named here and many others existed before the introduction of trade mark law in the United States and the United Kingdom. As shown by Nevett (1982), the business model of the advertising agency as a mediator in the marketplace between media, advertiser and consumer had emerged in Britain as early as the 1830s. Elsewhere Blackett (1998) writes that advertising agencies do not enjoy developing brand names and find the legal aspects of trade marks irksome and a threat to their creativity. He also advised that agencies should leave the choice of brand names to their clients and specialist branding consultancies like
Interbrand, Landor or Wolff Olins. This statement further reduces the roles and functions of advertising agencies in the making of brands by artificially separating the trade mark function of a brand from its various social, communicative and symbolic functions (Bussey 2006). While Schechter’s (1925) seminal study on the historical foundations of trade mark law acknowledged the role of advertising in creating and maintaining goodwill behind a trade mark, there seems to be no consistent body of historical knowledge on the exact role of advertising agencies in the process of managing a trade mark’s augmentation to a key symbolic element of marketing strategy.

This chapter has therefore two aims. It firstly traces the work of advertising agencies in turning trade marks into brands between the late nineteenth century and the interwar period. It mainly draws on the papers of American agencies such as N. W. Ayer and J. Walter Thompson (JWT) and their work for the owners of global brands like Lever. Secondly, the chapter attempts to identify forms of shared knowledge and practices the advertising industry drew on when augmenting trade marks to successful brands. This body of knowledge and practices did not only consist of creative skills in visualising and personalising an otherwise abstract or intangible trade mark. It also contained increasingly formalised approaches to market research, which helped advertisers decide which information about a product was to be presented to consumers, how and through which media channels. Following Miller and Rose (1997) and most recently Pettit (2008), this chapter will thus study how advertising agencies’ knowledge about trade marks, brands and consumers’ psychology contributed to the ‘assemblage of the subject of consumption’ during those decades that preceded the post-war age of mass affluence.
In the transatlantic marketplace (North America and Britain), marketers acquired competitive advantages by developing a scientific ‘culture’ of branding – one that looked beyond the mere visually attractive presentation of trade marks and logos (Kreshel 1990). The study presented below shows that this culture, fostered by the competitive position of manufacturers of similar products and the competition of large, international advertising agencies for clients, fuelled innovations in the conceptualisation of the branding process. Major intellectual innovations in branding, embodied in the concepts of brand personality, brand image, brand identity, relationship marketing to foster brand bonding, the idea of the lifestyle brand and lifestyle research, the idea that brands need rejuvenation through line extensions, the idea of the global brand, had all become practical knowledge, that means implicit and tacit knowledge, within the advertising industry before the golden age of post-war affluence between the mid-1950s and the mid-1970s. It was during these two decades that most of the tacit knowledge about consumers and brands was turned into conceptual (explicit) knowledge and became codified for example in marketing textbooks or seminal marketing science papers by Theodore Levitt, Sidney Levy, Neil Borden and others (Jones, Monieson 1990; Shaw, Goodrich 2005; Tadajewski, Jones 2008). Thus, I argue that the idea that advertising had to build up the total value (equity) of the brand in the mind of consumers rather than simply putting a sign, symbol, product, slogan etc. (trade mark) in front of them and that consumers see brands holistically as promises of quality and individual fulfilment was first developed tacitly in daily agency practice and only later conceptualised.
I. Advertising becomes Brand Management

At the heart of a brand is of course the legal concept of the defensible trade mark, which is distinct and recognisable to all distribution channel members from the wholesaler to the end-consumer. This was recognised early on by British manufacturers in the fast-moving consumer goods sector, such as Bass, Wills, Lea & Perrins and Lever. After the 1862 Merchandise Marks Act and the 1875 Trade Marks Registration Act were instituted a plethora of branded and mass-produced consumer goods appeared which offered consistent quality and identical shape and size (Patent Office 1976; Mendenhall 1989). Trade marked commodities appealed to consumers because they made quality and price comparisons easier and thus facilitated decision-making. They appealed to the retailer because some of them were pre-packaged and standardized and therefore had a longer shelf-life. They also reduced the need for skilled salesmen and increased the speed of consumer through-put in the shop. Products like Lever’s wrapped and branded Sunlight soap, Bass beer with its red triangle or Lyle’s Golden Syrup with its distinct lion symbol suited the emerging chains of retailers (multiples) such as Maypole’s, Lipton’s, and Sainsbury’s, which were based on the proposition to consumers that standardized goods produced under a trade mark offered reliable quality, secure and traceable origins as well as consistently low prices (Benson, 1994; Fitzgerald, 2005; Fraser, 1981; Church and Clark, 2000; Church and Clark, 2003; Corley, 1987; Jones and Morgan, 1993).
As shown by Tedlow (1990), Friedman (2004) and others, the late nineteenth and early twentieth centuries were characterised by an approach to marketing communication mainly in form of mass promotion with the aim of selling. Rather than focussing on long-term brand loyalty, marketing communication was supposed to generate product recognition through reiterating advertising messages and offering short-term incentives to buyers (Church 2000; Fraser 1981). Wills’ for example offered cigarette cards from 1887 to give additional reasons for customers to purchase their cigarette brands. Thomas Barrett promoted Pear’s soap by adapting John Millais’ painting of a little boy as the famous “Bubble” poster in 1886 which was re-printed and distributed in millions of copies. Barrett’s dictum that any fool could make soap but it took a clever man to sell it summarised the outlook of the late Victorian generation of marketers (Nevett 1982; Richards 1990; Goodall 1986). Mass promotion as the main marketing tool became outdated during the early twentieth century when certain brand names had become firmly established in the minds of their target audiences and ever more competitor products offered similar product quality at a comparable price. As the distinctiveness of particular products became unrecognisable and whole segments of the consumer market began to develop new types of needs, marketers realised that the purely sales-oriented outlook on the market had to be replaced by a philosophy which had at its heart a meaningful brand that was able to establish a long-term relationship between manufacturer, distributor, salesman and consumer (Friedman 2004). In other words, mass promotion in a mature market became a cost factor for companies like Lever, Cadbury’s, Rowntree, Will’s or Colman’s, which spent thousands of pounds per annum on advertising even before the turn of the last century. At this moment in time, the brand and its manageable and
communicable meanings – not the trade mark itself – became the most important asset of a company.

Advertising agencies came into this process at a relatively late stage. While large-scale British agencies, such as Mather & Crowther (founded in 1850), Sells (1869), Smith’s (1878), T. B. Browne (1872), the London Press Exchange (1892), S. H. Benson (1893), and American agencies such as J. Walter Thompson (1864), N. W. Ayer (1869), Lord & Thomas (1873), McCann-Erickson (1902/1912) had existed since around the 1850s and ‘60s, it was not until the First World War that advertising professionals adopted a strategic brand- and value-focussed outlook on campaign planning. Before that, most agencies contended themselves with simply placing their clients’ advertisements in print media and the agencies’ technical expertise stemmed mostly from an in-depth knowledge of available newspapers and magazines and their (estimated) circulation as well as from knowledge about the printing process, such as block making, engraving etc., and the management of poster campaigns (Schwarzkopf 2005). The key expertise of an agent was the ability to secure the best rates for clients or the knowledge how to sell available newspaper space to new advertisers at a profit (‘space farming’).

When William Hesketh Lever worked on the idea of a branded and individually wrapped soap with scale-economies and national distribution he initially got in touch with the Liverpool trade mark and patent agent W. P. Thompson, who helped Lever design and
register the ‘Sunlight Soap’ name in 1884 and the ‘Lux’ trade mark in 1900. Advertising agents were rarely part of this technical process of actually ‘branding’ a product. A similar process took place for example in 1927 when the Hamburg-based merchant Karl Seyferth needed a trade mark for his ice-cream and honey products. Seyferth advertised in the *Hamburger Fremdenblatt*, a liberal business paper, that he was looking for a trade mark and received an offer from the export merchant and biscuit manufacturer Viktor Langnese. Seyferth purchased the ‘Langnese’ name for 300 German Reichsmark and began to build up a successful company which in 1962 was incorporated into Unilever’s multinational food Empire. Both Lever and Seyferth, in their attempts to create, buy and register trade marks, were unable to draw on the services of the advertising agents of their day.

A noteworthy exception to this rule was Thomas Brooks Browne’s advertising agency, founded in 1872 in London. T. B. Browne’s quickly grew into one of Britain’s largest agencies around 1900 and boasted of a very successful Trade Marks Department established under a Mr. King, a qualified Patent Agent. By the 1920s, this Department had become perhaps Britain’s leading Trade Mark Agency which served clients like Cadbury Bros., Rowntree, J. S. Fry & Sons, Alfred Bird & Sons, McVitie & Price Ltd., Peek Frean & Co., Arthur Bell & Sons, Chivas Bros., Courtaulds and many others. King later left the agency to form his own company which became known as King’s Patent

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Agency (Browne 1984). Browne’s understanding of the role of the advertising agency in relation to the trade mark and the brand however was limited. His agency offered to legally defend, but not necessarily to strategically build the brand in the minds of consumers.3

One of the first American agencies to realise the responsibility of advertising as that of building a brand was the Philadelphia-based N. W. Ayer company (Hower 1949). In 1914 and 1915, the agency placed several advertisements in the US trade journal *Printer’s Ink* to explain its services to prospective clients.4 One of the advertisements exemplified that Ayer’s as an advertising agency and specialised service provider did not only attractively visualize the trade mark of their client but could attach vital social meaning to it. For the Roger Bros. company, the agency for example invented ‘the 1847 girl’ in order to visualise and, more importantly, symbolise the trade mark of ‘1847 Roger Bros. Silverware’. This shows that by 1915, some agencies were aware that their expertise actually lay in developing brands by visualising and personalising an otherwise intangible trade mark. The Ayer agency had thus recognised that the property protection which trade marks allowed was worth little if the product which carried the mark offered no physical and psychological benefits to consumers. Another Ayer agency house advertisement from 1923 explained the services the agency rendered to the American Fruit Growers Inc. and their ‘Blue Goose’ brand which communicated the meaning of agricultural excellence.

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4 ‘The Show window of an advertising agency’ (1914/15), N. W. Ayer Collection, Box 3, Series 16, Washington Smithsonian Museum.
and reliable quality of fruit and vegetables to the consumer: “But a trade-mark, however beautiful, is not meant for decoration alone. It must be full of meaning to the people who buy”.⁵

A prime example for how advertising agencies from the 1910s began explicitly to focus on developing brand personality, brand image, and brand identity is the American J. Walter Thompson company (JWT). Founded in 1864, it became the largest US agency after it had been purchased by Stanley B. Resor in 1916. Between the interwar years and the 1960s it was the largest and certainly most important among all international advertising agencies (West 1988, Silva 1996). As early as 1911 the agency offered a booklet of some 80 pages to its clients under the title Things to know about Trade Marks (Thompson 1911). With this brochure the agency positioned itself as a comprehensive advisor to manufacturers on all aspects of trade mark law and registration. The booklet took the reader through all steps of how to apply for trade mark registration, the various procedures at US Patent Offices, and trade mark registration in foreign countries. It advised manufacturers for example that geographical names, shapes, colours and materials were not registrable and it also showed readers how to devise a well-recognisable trade mark through the use of distinctive shapes, faces, colours or words and slogans. The JWT agency even developed an early advertising and branding theory in the booklet – a theory which grew out of practical considerations and accumulated marketing experience with clients like Mennen’s Talcum Powder, Woodbury Facial Soap or Eastman Kodak cameras. For JWT, the most important business force was not the ability

to produce at lower costs but the ‘recognized distinction’ (Thompson 1911: 10) of the product and the goodwill that it carried in the minds of millions of consumers: ‘Advertising is a systematic method of creating Good Reputation’ (ibid.). The advertised trade mark thus allowed the manufacturer to directly link up with the end-consumer and cut out the jobber, wholesaler and retailer in his sales efforts: ‘The trade-mark is the connecting link between the manufacturer and the ultimate consumer’ (ibid.).

Based on this knowledge the JWT agency formulated a catalogue of advertising services which included among others advice on trade marks and their protection against infringement, but also on media and consumer research, campaign planning and creative execution. According to JWT, creativity did not only consist of visually ‘attractive’ advertising, but of the ability to ‘create a desire for the advertised product’ (Thompson 1911: 31). This is perhaps the first time that an agency stated that advertising services could not limit themselves to devising and registering a distinct trade mark, publicising it on a high-quality product and then wait for consumers to buy it. In the booklet, the agency clearly stated that brand-focussed advertising did not only assure consumers about the sources and origins of a product – a function exercised by the trade mark – but instead formed social desires. This assertion about the ‘creation of desire’ is a public admission by the agency that products are carriers of socially shared symbolic meanings which manifest themselves in cognitive and behavioural reactions that are guided by a multiplicity of motives, specifically including emotions and social aspirations, and not only by a ‘rational’ cost-benefit assessment (Katona 1953; Lears 1983; O’Shaughnessy 2003).
By the early 1920s, JWT was beginning to notice that consumers’ knowledge of trade marks did not necessarily translate into preference for a brand or the ability to distinguish between two types of cigarettes or chocolate. Through its work for the Lever brand Lux, the JWT agency developed an early understanding of the fact that trade marks had to be charged with image, identity, and personality, and to be built up into aspirational brands in order to achieve the aim of creating desire in consumers’ minds.

Lever’s Lux brand, a new type of soap flakes, was launched in Britain in 1900 with the aim of providing a superior quality product which made the washing of laundry easier for women and allowed more delicate materials, especially wool, to keep in good shape for longer since housewives using Lux flakes did not have to rub the textiles with a hard soap bar. The product, with its distinctive brand name (derived from the Latin word for light, lux, which in English also suggested luxury) and packaging, was one of the first attempts at integrated marketing in Britain. All aspects of the marketing of the brand, the product development itself, the packaging, the advertising communication, the distribution methods and pricing, were integrated to establish Lux as an innovative, high-price and high-value product. In 1906, Lever began to export Lux soap flakes to the United States and later established a manufacturing plant there as well to supply the US and the Canadian markets with the product. Initially, the advertising expenditure was kept at a low rate and Lux was positioned as an expensive product to be used for the washing of woolen garments, like blankets, jackets and underwear (‘Lux won’t shrink woollens’). In
1915, the advertising account for Lux was handed over by the American Lever subsidiary to JWT. The agency suggested that the traditional positioning of Lux as a product for woolen garments should be widened so that consumers could see Lux as a product to be used for all fine fabrics in the household. But, crucially, for this to be effected the Lux brand had to be more closely associated and even become identical with the image of expensive clothing and up-market fashion.\textsuperscript{7} For Lever Brothers in the US this strategy resulted in increased sales from 10,000 cases in 1915 to over 1 million cases in 1918 (Lovett 1970).

During the early 1920s, the JWT agency demonstrated a clear insight into how brands become part of social life and acquire new meanings and values in daily consumer practices. This insight was translated by the agency into various innovations in the communication and brand development of Lux. In 1924, for example, JWT invited American housewives to submit testimonials for Lux soap flakes. These letters, of which about 53,000 arrived at the JWT headquarters, were used by the agency to conduct a survey of consumer habits. It turned out that consumers had independently begun to use the flakes for the washing of their hands, for baths, for their babies and their hair, by that effectively creating brand extensions into new product lines (toilet soap, shampoo etc.). These findings encouraged Lever Brothers in the United States to extend the brand and


offer consumers a Lux Toilet Soap, which was launched on the American market in 1925 and three years later on the British market. JWT used such consumer competitions and slogan contests to find out about the additional uses of the Lux brand in households and in order to create virtual bonds between the brand and a global collective of users.

Through the close bonds that emerged between the brand and its devoted consumer community the agency was able to spot new opportunities to create line extensions and thus allow the brand to rejuvenate itself in form of toilet soap, shampoo and dishwashing flakes. Between the 1920s and ‘50s, the agency continuously improved on the products that were put on the American market under the Lux brand umbrella. Before the Second World War, Lux shampoo and toilet soap were launched in the United States as well as an improved form of Lux, ‘Quick Lux’.

After the war, ‘Lux Liquid’ was launched in order to match a similar offering by Procter & Gamble in the new product category of washing-up liquids.

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8 Ibid., and Lux 1928/1939, 1939, JWT Account Files, Box 687 (JWT Collection, HAT Archive).
9 All over the world they use it!, 1923, Folder Lever Brothers (1916-1959), and Account Histories: Lever Brother Company – Lux, February 11 1926, Folder Lever Brothers (1916-1959), both in JWT Information Center Records, Box 5 (JWT Archive, Duke University).
12 Case report on Lux Liquid, 1956, Folder Lever Brothers, Lux Liquid, Case History in JWT Information Center Records, Box 5 (JWT Archive, Duke University).
The backdrop to JWT’s constant activities in repositioning and reinventing the Lux brand was its recognition at around 1920 that the product would attract a ‘swarm of competitors’ due to its superior quality and innovative production technology. Thus, it was not the expectation of rising average incomes or other changes in the macro-marketing environment (demand structure) during the 1920s but the realisation that other firms might offer a similar product which spurned staff at JWT to charge the Lux product with a sense of magic and mystery and make it identical with the idea of classy fashion. The strategy to turn soap flakes into a magical and mysterious product in order to ward off identical competitor products supports Cano (2003), who argues that marketing practitioners followed competitor-based approaches to market segmentation and product positioning long before these terms were formally introduced into the marketing literature by Wendell Smith in 1956 (Smith, 1956).

While Lever’s American subsidiary with its agency JWT made great efforts in conquering the North American market for Lux, the British market became more receptive for the product as well. With medium advertising support by Lever at Port Sunlight, Lux kept being positioned in the minds of British consumers as a household product for woolen garments. The marketing activities by Lever in Britain – in marked contrast to the US – were heavily influenced by the fact that Lever tried to acquire a monopoly for soap products. By the end of the 1920s, the Lever group had acquired

forty-nine soap-manufacturing companies and produced some sixty per cent of all soap consumed in the United Kingdom. Moreover, until the mid- and late 1920s, Lever in Britain had no major competitors as Colgate-Palmolive only entered Britain in 1924 and Procter & Gamble followed in 1930 with the acquisition of Thomas Hedley Ltd (Wilson 1954; Edwards 1962, Wilson, Thomson 2006).

During the late 1920s, however, Lever’s once comfortable position in the British market came under attack from foreign competitors. In 1924, Colgate’s ‘Palmolive Toilet Soap’ was introduced in Britain supported by the American Lord & Thomas advertising agency. By the mid-1930s, Palmolive had diversified into shampoo, toilet soap, shaving cream, and face powder (Statistical Review 1937). Lever also suffered from its own diseconomies of scale as the soap products manufactured by the combine incurred heavy advertising expenditure while competing for similar segments of the market. Lever’s limitations in strategically positioning its own brands the crowded British market became more and more apparent. By the late 1920s, Rinso, Persil, Sunlight Soap, Lifebuoy, the Monkey Brand, Pear’s Soap and Lux were all part of the Lever Empire. As low-involvement products, all these brands had to be heavily advertised in order to gain consumers’ awareness and thus they consumed each others’ market shares and incurred large advertising costs on Lever (cannibalization). This made it even more necessary to make the Lux brand identifiable and allow consumers to emotionally bond with a certain image and lifestyle that the brand projected. In a highly volatile market, the expensive

14 Lux advertising during 1928, 1928, JWT Account Files, Box 687, JWT Collection, History of Advertising Trust Archive, Norwich and Creative Staff Meeting, 1932 (JWT Archive, Duke University).
quality product Lux had a difficult time in maintaining market share as competitors managed to copy the manufacturing process and thus offer flaked or grated soaps. In response to these competitive pressures, Lever handed over the British advertising account for Lux to the JWT agency in 1927.

Faced with the challenges of the British market, the JWT agency attempted to revive Lux by drawing on its experiences with the brand on the American market since 1915. At the heart of the agency’s strategy was to identify through market and consumer research the unique place that the brand could occupy in people’s minds. By conducting extensive research surveys JWT not only found out through which distribution channels women bought soap products and which factors (water hardness, use of soda as substitute, high price, unwieldy package, unavailability in certain retail outlets) inhibited the acceptance of Lux among women. JWT also recognized that their advertising for Lux had to tell a certain story about the brand which naturally connected the product to the attitudes, interests and opinions of its target market. In their attempt to put advertising on a more “scientific” base, JWT researchers and copywriters discovered that consumers’ behavioral and psychic dispositions towards a brand were influenced by the images which a brand invoked in people’s minds.

In this endeavour, the London JWT office was able to use the insights the agency had gained while working for Lux in the United States. In the more competitive US-market, the agency had learned that the Lux brand was not only a trade mark but a collection of
social attributes. This discovery had been summarized at a 1924 JWT account planning conference in New York, when a female copywriter described Lux in terms of its image and its brand personality:

I think of Lux as a member of the lesser nobility. She is probably a Marquise. She is gay, spontaneous, care-free. If you met her in the flesh she would greet you with squeals of delight and trills of laughter. She had a home… But her home gave her no anxiety. She whisked her handsome woolen blankets through the rich lather and out they come like new. Husband she must have had, but he never appears. Maybe he follows the sea or maybe he couldn’t stand the pace.16

Through a careful analysis of the Lux ‘personality’ and the changes this ‘person’ went through the JWT campaign planers also discovered that the brand needed to be rejuvenated in order to make ‘her’ more meaningful and relevant to her target audience. While the early Lux was a care-free individualist who lived only for her lovely clothes ‘she’ now discovered that ‘her friends’ needed Lux for dishwashing, too:

For five long, happy years nothing happened to change her gay, whimsical clothes loving nature. Her sixth year started out happily enough, but she was

15 Lux England 1928, 1927, JWT Account Files, Box 687, and Summary of investigation, 1930, Box 693, both JWT Collection, HAT Archive.
16 Conference Miss Flemming, February 21 1924: 1, Folder Lever Brothers (1916-1959), JWT Information Center Records, Box 5 (JWT Archive, Duke University).
suddenly forced to consider stern realities. Did competition stalk her trail?
Did she really have secret troubles that she nobly concealed? … This phase
lasted for two full years. And Lux has never been quite the same since. She
has lost some of her charm – there is no doubt about that. She has also
become less of an individualist. Other people’s problems affect her a bit…
there is a strong inkling in her mind that she can not live by clothes alone.
She must have a wider interest and she has found it in dishes. And how true
she is to type. She doesn’t talk about how clean she gets her dishes. Not at
all. She is only interested in her own hands, the huzzy. At first she
hypocritically preached economy, but this year she has thrown economy to
the winds and stands forth blatantly on her platform of pride in her well-kept
hands. A pride she is trying to impose upon her neighbors – she is
endeavouring to threaten and to frighten them.17

These insights into the way consumers mentally construct an image of a brand were
directly fed into the repositioning process that JWT attempted for Lux on the British
market. Since the agency had come to realize that advertising was effectively an activity
of strategically manipulating socially-shared symbols it attempted to facilitate the market
penetration of Lux by disconnecting it from mental images of the housewife’s ‘slavery’
and hard work and instead connect it to images of happiness and leisure. When JWT
began to work on the account in Britain in 1927 it therefore recommended that Lux
advertisements should be based on the theme of fashion. In order to increase the

17 Ibid.: 2.
relevance and attractiveness of the brand, the London JWT office devised advertisements which conveyed news about the world of style, prestige and glamour. The ultimate aim of the campaign was to turn the perception of the product from being ‘simply a different kind of laundry soap’ into a ‘magical kind of product’. The new Lux campaign that started in March 1928 in Britain broke with the traditions of soap advertising, which until then tended to stress formal product attributes in a ‘slice-of-life’ surrounding characterized by housewives shown at work in the kitchen or in the bathroom. In the new Lux campaign the female reader was no longer confronted with real-life images of hardworking housewives, but instead with stylish, thin, modernist drawings of living fashion-dolls. In order to attach the unique selling proposition of Lux – keeping women’s most treasured clothes like new – and in order to surround Lux with an air of distinguished lifestyle, JWT used designs and drawings that women recognized from retail and fashion advertising.

The key to this radical change was the ability of JWT copywriters to tap into their target group’s attitudes, interests and opinions. Using innovative market research and consumer analysis methods, JWT found out that the brand’s target group was interested in news about fashion and read advertisements to gather information about lifestyle trends. JWT therefore decided to construct a new type of advertisement which proffered women’s gossip, lifestyle advice, and fashion news. The JWT brand planners used market

18 Lux Press Campaign, 1927, and Lux advertising during 1928, 1928: 1, both JWT Account Files, Box 687 (JWT Collection, HAT Archive).
19 Advance Fashion News (Published by the Lux Educational Bureau in Co-operation with Harper’s Bazaar, 1932-1934), JWT Account Files, Manila Box Series, Box 10; Gossip style
research strategically to look deeper into the social and emotional worlds of their target group and found that the ‘new woman’ of the 1920s wanted her clothes not just clean but used them to prove herself in real life. JWT’s advertisements presented Lux as a friend and lifestyle expert for its users and constructed an entirely new symbolic universe around the brand.

The agency thus re-invented Lux as one of Britain’s first lifestyle brands or what Douglas Holt called an ‘identity brand’ (Holt 2003). The skilful design of the fashion-styled advertisements translated the tangible, unique selling proposition (USP) of Lux into an emotional selling proposition (ESP). While the communication of all other soap products told consumers what the product did to their clothing (cleaning) and how it helped women caring for their families (‘Lifebuoy Soap for Health’; ‘The shortest way on washing day: the Rinso way’; ‘Sunlight: Not yet One and washing done’; ‘Victory – won by Persil’) Lux advertising told female audiences what the product did for their personality. Other than Rinso or Persil or the plethora of unbranded products that were available to British and American women, Lux became a brand that based its very identity on the narrative of transformation: Lux promised to turn a simple housewife into a style-savvy, adorable fashion-goddess. The key to this narrative were the findings of JWT’s behaviour- and identity-oriented market research (Schwarzkopf 2009).

By the late 1920s, JWT had thus successfully personalized and largely emotionalized the Lux brand both on the American and the British market. This assessment counters the advertising, 1930, JWT Account Files, Box 693, and Lux Press Campaign, 1927, all JWT.
assertion by Davies and Elliot (2006) that consumers in the interwar period used brands for rational decision-making. While the Lux brand communication always stressed the product’s use value and its high quality, the advertising platform ran completely on the themes of romance, drama, and social excitement and used the human interest story in order to breed familiarity with the consumer. Indeed, brand loyalty was created in series of advertisements in which movie celebrities and famed novelists shared ‘a secret’ with female consumers – advertisements which seemed to say to young women that the Lux brand knew and understood them. During 1929, for example, American readers of women’s magazines saw slogans such as “Don’t call it luck”, says Elinor Glyn – famous authority on romance’ or ‘Beatrix Fairfax answers Cleveland girl’s query: “How can I attract”?’ Since Lux kept clothing fresh and colourful it ‘brought romance into the lives of millions of girls’. In order for the human touch to work JWT exploited the idea of personifying the brand image to the full. In 1928 it first used the Hollywood star appeal for Lux Toilet Soap and in 1950 for Lux Flakes under the slogan ‘9 out of 10 screen stars use Lux’.

II. Formalisation of Brand Management in Law and Marketing Thought

Collection, HAT Archive.

20 Advertisement proofs, 1929, Folder Lever Lux Flakes, JWT Domestic Advertisements Collection, Box LB 7 (JWT Archive, Duke University).

21 Tie-up of Lux Toilet Soap with the cinema industry, 4 January 1933, JWT Account Files, Box 690, Interim Report on post-war planning for the advertising and merchandising of Lux Toilet Soap, March 1944, JWT Account Files, Box 689, both JWT Collection, HAT Archive; ‘Lever Brothers – Lux Flakes: JWT Campaign of the Week’, J.W.T. News IV, No. 52 (1949): 3.
Innovations in understanding the relationship between consumers and brands were not necessarily limited to American agencies alone. During the 1920s, the British agency W. S. Crawford’s Ltd., for example, began to talk about ‘product personality’, the ‘advertising idea’ and argued that in order to stimulate sales and create a ‘buying habit’ advertising had to ‘build a definitive association of ideas round the goods’ that advertising promoted (Schwarzkopf 2008). For the purposes of this chapter, however, it is suffice to establish that the above described approaches of turning trade marks into image-laden brands were practiced before brand management was formally established as a managerial technique at Procter & Gamble in 1931 (Fullerton, Low 1994; Dyer 2004) and also before the idea entered marketing theory that advertising’s central role was to develop a brand image at the corporate and/or product level (Meenaghan 1995). The JWT agency tried to formalise this approach during the 1920s and ‘30s but focussed their efforts mostly on ways of turning creative copy-writing into a more accountable and self-reflexive process (Cherington 1924; Webb Young 1940).

In Britain, too, advertising agencies and their clients began to recognise the value of powerful and emotive brands. One way of enhancing this power was of course to strengthen the legal protection that a registered trade mark offered the brand in the competitive marketplace. Consequently, during the interwar years British businesses began to mount pressure on successive governments to modernise the Trade Marks and Merchandise Marks Acts. In 1919-20, the Merchandise Marks Committee and, in 1933-34, the Departmental Committee on the Law and Practice relating to Trade Marks

(Goschen Committee) paved the way for a strengthening of the trade mark owner against non-traditional forms of infringement which had emerged since the Victorian era. The Goschen Committee also recommended the relaxation of some of the restrictions on the assignment of trade marks and a facility for a person to register a trade mark to be used only by others under a ‘registered user’ provision (Merchandise Marks Committee 1920; Joint Trade Marks Committee 1933; Report of the Departmental Committee 1934). The ensuing trade mark legislation under the 1937 and 1938 Trade Marks (Amendment) Acts provided for this recommendation by allowing for the assignment of a trade mark in gross, i.e. without the underlying ‘goodwill’ that a trade mark symbol, name or slogan was associated with. According to the trade mark lawyer Dawson, this right ‘reflected and facilitated the growing practice of corporate acquisition and restructuring and the fact that brands were fast becoming major commercial assets in their own right’ (Dawson, Firth 2000: viii).

The new legislation furnished the advertising industry with an increased sense of importance. Before the 1930s many British manufacturers and traders could claim that a product’s quality reputation stemmed solely from the goodwill afforded by those who used it – just as good wine allegedly needed ‘no bush’. The new trade mark legislation however took into account that a brand’s reputation could be quickly built up through the use of image-oriented advertising campaigns. This in turn accelerated the transition within the advertising industry away from a self-definition based on the idea of trade mark publicity towards a professional identity based on building powerful brands. As mentioned earlier, this understanding emerged slowly during the early 1920s, with
advertising trade journals such as the *Advertiser’s Weekly* telling its readers that trade marks needed to be developed into brands in order to make products stand out like ‘lone stars on a night-sky’. By the late 1930s, even the most traditional members of the industry had understood that while trafficking in trade marks themselves was still an offence under the law the reputation associated with image-laden and socially highly symbolic trade marks had become what Earl Loreburn called a ‘marketable commodity’.

This recognition expressed itself in a series of new texts for the British advertising industry which acknowledged that the task of agencies was not only to help their clients with publicising a trade mark that indicated the commercial source of a product but instead with creating and managing symbolic and socially shared meanings that brands are based on. Arnold Plant, Professor of Business Administration at the London School of Economics, was one of the first who conducted consistent research in Britain into the macroeconomic effects and advantages to individual consumers of branded household goods. Even in 1937 he noted that ‘the introduction of brands implies a doubt in the mind of the manufacturer whether he can otherwise continuously hold the market’ and that branding ‘was not universally believed by manufacturers to be the best way of selling their output’ (Plant 1937: 305-6). In his report he also found that some fifty per cent of products stocked by British grocers were still unbranded. Notwithstanding the widespread scepticism against brands in the British retail environment noted by Plant, 1920s

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and ‘30s business handbooks began to teach that all marketing activity had its final objective in creating competitive brands (Chisholm 1924: 44, 53). In June 1939, the Daily Mail told its readers that advertising and consumers could work hand in hand through the provision of and demand for standardised, high-quality and branded goods: ‘Fish, Bananas, fancy ties… they are all branded now. Just as hall-mark identifies silver, the brand name of the manufacturer speaks for the quality of his product’ (Anon. 1939).

The interwar period turns out to be a period at which advertising agencies moved much more into the centre-ground of the complex interplay between manufacturers and distributors’ marketing decisions the communication of branded products and consumer behaviour in the marketplace. The renewed emphasis on flexible and competitive trade mark legislation in the 1930s made itself felt in the advertising industry and lent more authority to the agencies which now began to argue that meaningful brands which tapped into the lifestyle of their targeted audiences were the most important intangible assets of a company in addition to tangibles such capital, buildings, machinery and infrastructure (Wilkins 1992). In a series of newspaper advertisements, the two largest advertising agencies in London at that time, JWT and the London Press Exchange, visualised the meaning of brands to companies and the market as well as the crucial role of advertising agencies in that complex relationship. The agencies’ advertisements for example told the story of a non-branded loaf of bread that wondered by whom it would be bought or showed brands who got lost because they lacked an advertising agency that showed them the right ‘way to the market place’. During the 1930s, the Advertising Association issued propaganda brochures and posters which called on consumers to trust branded goods and
brand names because ‘There is safety in a brand name’. In 1940, the Advertising Association published posters calling on manufacturers to keep on advertising to avoid losing ‘brand goodwill’ and it reminded consumers, retailers and manufacturers that the ‘trade mark guarantees value’.25

III. Conclusion

Advertising agencies’ role in the making of brands radically changed during the first half of the twentieth century. During much of the nineteenth century, advertising limited itself to publicising a trade mark within a framework of mass promotion as the main communication aim. Little attention was paid to the idea of the symbolic and emotional capacities of brands in building consumer loyalty and forming certain consumer identities. The self-definition of the advertising agency’s work changed at around the time of the First World War. During the early 1920s, advertising practitioners discovered the advantages of the pro-active and planned creation of brands with unique image and personality. By the late 1920s and early ‘30s, some agencies and their corporate clients like Unilever and Procter & Gamble had begun to develop a practical understanding of how advertising could build brands and also recognized that brands and their communication need careful management in an increasingly competitive environment.

There is evidence that this transformation was influenced by changes in trade mark law, which increased the focus within the advertising industry on creating brand equity.

25 Advertising Association papers 13/1/1 (1934) and 13/1/6 (1940), Advertising Association
through large-scale and long-term advertising campaigns. The perennial search within the industry for clearer ideas and definitions of the brand was fed by the need to make the marketing communications process more efficient and accountable. This need, in turn, was fuelled by the competition between advertising agencies for clients and the competition for consumers among manufacturers of similar products.

It was not before the mid-1950s however and the arrival of David Ogilvy on Madison Avenue that the idea of the brand image became a common stable within the global advertising industry (Fox 1984; Millman 1988; Tungate 2000; Haygood 2007). The British immigrant to the US, Ogilvy, had read about the notion that a brand held holistic and personal characteristics in a *Harvard Business Review* article by Sidney Levy and Burleigh Gardner in March 1955 (Gardner, Levy 1955; Mitchell 1959; Levy 2003). The article under the title ‘The product and the brand’ was a revelation for Ogilvy and the rest of the advertising world because it made explicit what many of the more innovative agencies, such as Lord & Thomas, J. Walter Thompson or W. S. Crawford’s had practiced for at least three decades. This practice was summarised by Ogilvy in his agency’s creative credo: ‘Every advertisement is part of the long-term investment in the personality of the brand’.

The study presented above reminds marketing historians that the conceptualisation of the branding process in marketing theory followed its emergence in practice, not vice versa. This puts a question mark behind approaches to marketing history as a purely intellectual exercise which only looks at the development of explicitly formalised and published knowledge and ignores social practices and repertoires of implicit knowledge within advertising agencies as the earliest branding laboratories. Briefs and company memos at advertising agencies’ archives leave no doubt about that: they show that by the 1920s both agencies and their clients were highly self-reflective and fully aware of the fact that the advertising process was essentially about building (brand) images for trademarked products through conscious manipulation and deployment of symbols which resonated with targeted consumers.

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