

Book Review

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Review Subject

Brand New: How Entrepreneurs Earned Consumers' Trust from Wedgwood to Dell

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For those interested in branding, Nancy Koehn, associate professor of business administration at the Harvard Business School, has written an historical narrative that spans three centuries. *Brand New* tells the story of six famous brands - Wedgwood, Heinz, Marshall Field, Estée Lauder, Starbucks, and Dell - and the rise to power of their extraordinary leaders. The only non-American in the bunch is Englishman Josiah Wedgwood, born in 1730, who built his china company during the Industrial Revolution. Henry Heinz and Marshall Field of the nineteenth century developed their brands during the Transportation and Communication Revolutions. The twentieth century Information Revolution spawned Estée Lauder of cosmetics fame, Howard Schultz of Starbucks Coffee Company, and Michael Dell of Dell Computer. The focus of the book is on how these business leaders built the brand equity that is so prominent in their brand names.

This history book logically presents its story. The first chapter introduces the subject of entrepreneurs, and the last chapter summarizes the book with a discussion of historical forces and entrepreneurial agency. In between each leader has a chapter devoted to his or her business.

Wedgwood was a hands-on innovator who developed a new type of creamware and built brand equity in his new product by marketing it to the middle-class masses. He created special sets of china for the upper classes and royalty and used the

subsequent publicity to enhance his brand's image. His business had an international scope that also contributed to building the value of his brand name. The Heinz story is particularly compelling. Henry Heinz took advantage of new distribution channels to distribute his bottled and canned goods to housewives who had previously preserved their own food. He dispensed samples and sponsored giveaways to promote his brand. He pioneered the use of clear bottles that permitted product inspection. In an age of many unsafe products, he used purity and quality as brand building strategies.

The modern urban department store is largely the creation of Marshall Field. He developed the market for mass retailing in the last nineteenth century. His buying palaces attracted female shoppers with elegant atmosphere, the latest fashions, and courteous service. By promoting his stores with "grand openings," and other promotional devices he distinguished his stores from competitors and made them an important part of the lives of his consumers. The story of Estée Lauder is a family story. The founder was Josephine Esther Mentzer, the daughter of Hungarian immigrants in New York City. Taking facial creams mixed at home, she introduced them to department stores and focused on launching new products, extending the line and the brand to present shoppers with a large selection from which to choose. By controlling distribution, responding rapidly to shifts in consumer tastes and fashions, Estée Lauder has succeeded in the face of strong competition to become a widely known and trusted brand that is a success around the world.

The last two narratives are more current. The story of Howard Schultz and Starbucks illustrates the importance of focusing on the details of a brand. His ability to inspire others makes for a compelling story of how an entrepreneur places the stamp of his own personality on a made-to-order beverage brand in which price is less important than social ambiance and quality. Michael Dell is all about a passion for computers and understanding consumers. This combination has built one of the largest and most successful computer companies in the world. By placing a heavy emphasis on customer service, Dell created a powerful brand.

Koehn explores the ups and downs of the lives of these entrepreneurs and the lessons to be learned. She asks, why did these leaders succeed when so many around them failed? Henry Heinz, for example, vied with over 30 entrepreneurs for prominence in the processed foods market. Yet few of his competitors survived into the twenty-first century as his company has. What was special about Heinz and his approach? Marshall Field, likewise, faced stiff competition in the distribution of dry goods, and the Estée Lauder company went up against established brands like Helena Rubenstein and Elizabeth Arden to carve out an envied position in the cosmetics market.

From an historian's viewpoint, Koehn says it is too soon to evaluate the lasting contributions of the three twentieth century leaders, but many signs indicate a long-running prominence. What are these signs? Probably foremost is sound intuition, the ability to capitalize on the moment, followed by organizational and promotional skills and the luck or the planning involved in being in the right industry at the right economic and social time. Wedgwood rose to prominence during a time when per capita and family incomes were climbing, and Britons were buying all manner of household goods from clocks to books and most importantly tea, coffee, and chocolate requiring specialized equipment such as cups, pitchers, pots, and sugar bowls. China was fast replacing the wood and pewter dishes Britons had used for centuries. Wedgwood capitalized on a structural change sweeping the marketplace of his time to provide the newly needed products.

Koehn addresses the "so what" question by writing that her basic premise is that the past can inform the present. In other words, today's consumer brand managers and marketers can learn a great deal from these six entrepreneurs including taking consolation in the many failures they experienced along the way to success. They all show remarkable strength of character, drive, and ambition. According to Koehn, their success came largely for the following five reasons:

- (1) They had deep knowledge and personal experience of their product or service.
- (2) They learned quickly from their mistakes and made rapid adjustments.
- (3) They created meaningful brands that distinguished their offerings and responded to consumers' changing priorities.
- (4) They initiated a process of reciprocal learning with their customers that resulted from ongoing two-way communication with them.
- (5) They created a range of organizational capabilities that delivered on the promises of their respective brands (p. 320).

Brand New is written in an engaging writing style. Its many stories present a rich tapestry of brand lore. Readers may forget they are reading history (although the intense detail will remind them) and feel that this narrative is more like a novel. Nevertheless, the content is serious and applicable to brand management. By viewing how past marketers build their brands, current managers and scholars can gain insight into this complex process. Of particular interest is the interplay between the brand builder and the economic context in which his or her strategies take place. Watching how managers react to and take advantage of economic change can only be experienced in an historical account. The long time perspective these brands provide gives ample opportunity for this type of analysis. While Koehn directs her book chiefly to business and cultural historians, both practicing and academic marketers can read *Brand New* with profit.

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