

To Brand Or Not To Brand

“The No-Brand Argument”

The Pumpkin Patch Case



Executive Summary

Anti-brand activists have been challenging the way that we perceive brands in our lives for many years. A fight against capitalism, globalisation, the exploitation of workers in poorer nations and the power that corporate brands have over consumers, economies and governments. It would seem however that brands are no worse off now than they were in the late 90's when the anti-brand movement really started to build up steam. The anti-brand argument comes at three angles:

- The way that brand's have come to dominate our mental environment.
- The erosion of public space and the political sphere.
- The contradiction in brand values with the exploitation of poorer nation workers.

Brands have remained strong because corporations have taken the anti-brand argument views on board and are learning from them, thus improving the way that they manage their brands. Without brands we would live in dull, non-individualistic and valueless societies where we were all forced to live look and feel like everybody else. Not to mention that global corporations provide millions of jobs to the world's poorest people. The pro-brand argument comes at three angles:

- Corporate brands raise standards of living in developing countries.
- The differentiation of products and services is essential in consumer lives.
- Advertising is a necessary evil.

Pumpkin Patch is a multi-national brand that takes its social responsibilities very seriously, following core brand values of integrity and family values. When looking at future marketing and brand management, a company such as Pumpkin Patch may be perceived as a contradiction of its brand values by manufacturing its products in China where there is a history of underpaid workers and poor working conditions. However, I challenge you to find a major clothing brand in the world today that does not outsource a portion of its manufacturing to more economical developing countries.

In view of both sides of the 'No Brand Argument' it is my recommendation that Pumpkin Patch continue with their current brand and growth strategies, and also continue to outsource their manufacturing to China, but take close care to ensure that all supply partners are maintaining high standards in product quality as well as in factory working conditions.



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Introduction

The importance and even necessity of brands in the world today is a debatable issue with compelling arguments on both sides of the debate. For Pumpkin Patch it is an issue that must be investigated in order to provide some guidance to future brand management.

This report is a critical analysis of both the anti-brand and pro-brand arguments with respect to today's situation.

We will begin by introducing Pumpkin Patch and discussing the company's current situation, and brands. We will then define what a brand is and go on to discuss and analyse the anti-brand and pro-brand arguments in detail, outline the key discussion points and conflicting positions, and form the writers position. We will finish the report by discussing how this debate relates to the Pumpkin Patch situation and offer recommendations on the companies future brand management.

1.0 Pumpkin Patch

Founded in 1990, Pumpkin Patch is Australasia's leading children's wear retailer, an iconic New Zealand (NZ) brand crediting innovative design as the fundamental factor leading to the brands success, both in NZ and abroad (Pumpkin Patch, N.D).

1.1 The Current Situation

This New Zealand based multi-national children's wear brand is a company currently working through some difficult financial times. With uncertain retail environments in the key markets of the United Kingdom (UK) and the United States of America (USA), 2011 saw Pumpkin Patch unable to sustain continued losses, forced to close all 20 of it's remaining US stores (The National Business Review, 2011). Early 2012 saw the company enter its UK business into administration, where all 36 stores are expected to close (Stuff, 2012). Also in 2011 Pumpkin Patch carried out major restructuring of its Auckland based head office and distribution centre with staff redundancies (NZ Herald, 2011) and the announced departure of long serving CEO Maurice Prendergast, replaced by Neil Cowie (Pumpkin Patch, 2011).

On the positive side new brand Charlie and Me showed good signs, the wholesale market continued to expand into new and diverse markets and the direct business,



which operates online trading websites, saw significant growth. All three of these areas have shown potential for further growth and expansion (Pumpkin Patch, 2011).

Pumpkin Patch currently employs more than 2,200 staff, (Pumpkin Patch, N.D) has 190 company owned retail stores in Australasia and Ireland (Pumpkin Patch, 2011), as well as a wholesale presence in 340 locations across 20 markets throughout; the Middle-East and Asia, Australia, the US and the UK, and direct sales via online stores and mail order in 5 markets; New Zealand, Australia, US, UK and Ireland (as at May 2010) (Pumpkin Patch, 2010).

Pumpkin Patch made the decision during the mid-90's to outsource the majority of its manufacturing to China (NZ Herald, 2007) in an effort to better compete in the Australasian market, as well as to facilitate their growth and expansion into other international markets. All Pumpkin Patch collections are designed in-house and are distributed via the distribution centre in Auckland. Chinese manufacturers, supplemented by New Zealand manufacturers are selected based on their skills, quality, timeliness and cost. (Pumpkin Patch, N.D)

Since the 2008 global economic downturn times have been tough and even the strongest global brands have had to seek ways of lowering costs and in many cases down scaling or closing businesses. This inevitably leads to company restructuring, job losses and in some cases to companies moving manufacturing off-shore to take advantage of cheaper labour forces and lower manufacturing costs. If not for countries such as China offering these manufacturing alternatives, large global brands as we know them today simply would not exist.

1.2 Company Brands

Pumpkin Patch's designer product range caters to all stages of a child's growth; from babies to toddlers with the Pumpkin Patch brand, to pre and early teens with the Urban Angel Girls range, and the affordable Charlie & Me brand for day to day clothing, as well as catering to mums-to-be with the Patch Maternity range of clothing (Pumpkin Patch, N.D).





(Figure 1, Pumpkin Patch Company Brands (Pumpkin Patch, N.D))

Pumpkin Patch sees itself as a brand, not as a retailer. Its Brand focus is of style creation, product quality, in-store merchandising, shop fit to reflect brand image and of a consistent message to customers (Pumpkin Patch, 2010). It is this company wide self-perception and attitude, and brand focus that has lead Pumpkin Patch to become the multi-national brand that it is today and which will enable it to become a potentially global brand in the future.

2.0 To Brand Or Not To Brand

This debate was really brought to the forefront following the publication of 'No Logo: Taking aim at the brand bullies', in 1999, written by Canadian journalist and activist Naomi Klein. An anti-brand movement with an anti-globalization/capitalism theme was in motion, mainly centered on large US corporations with protests and demonstrations conducted wherever world leaders gathered; international economic conferences, G8 summits and trade negotiations (Potter, 2010).

2.1 What Is A Brand?

A Brand can be described in its most simple form as a type of product manufactured by a particular company under a particular name. Originating from the Old Norse word 'Brandr' meaning to burn, the word made its way into Anglo-Saxon with the branding of livestock in order to differentiate one farmers stock from another's at market, becoming a farmers trademark. Farmers with particularly good quality livestock became sort after and demanded higher prices, establishing the use of brands as a guide to choice.



However the first use of symbols for brand identity was used on mass-produced clay pots in ancient Mediterranean civilizations (Interbrand, 2004). The American Marketing Association defines a brand as a; “name, term, sign, symbol or design, or a combination of them, intended to identify the goods and service of one seller or group of sellers and to differentiate them from those of competition” (Keller, 2008). This definition does not differ much from the original Anglo Saxon meaning.

Although the original brand concept still remains today, it has evolved to represent much more than just a simple product. Today a brand can represent a product, service, company, person, country or even an idea, which all in turn can be described as ‘the product’. For example ‘Brand Obama’ being talked about in the USA to attract electoral voters, and ‘New Zealand 100% Pure You’ being used to attract tourists to visit NZ. A Brand represents an emotional connection, a collection of feelings and perceptions about the quality, image, lifestyle and status of a product (Virtual Advisor, N.D) as well as a companies values and corporate behaviour, customer service, product design, product performance, environments, customer communities, consumer experience, consumer power and integrated communications (Logo Design Love, 2011). It has become a measure of wealth, happiness and love, a way of life and a way of thinking. A brand creates a personality and an identity that consumers can identify with, while forming the perception in their minds that there is no equal product on the market, and offers the consumer a guarantee, then delivers on it (Virtual Advisor, N.D). Today a product’s brand in many cases has become more valuable than the product itself, represented by the difference in the cost of identical items but with different brand names.

“In the twenty-first century, branding ultimately will be the only unique differentiator between companies. Brand equity is now a key asset.”

(Fortune Magazine)

2.2 Anti-Brand Argument

We live in a consumer-orientated world where corporate branding is global and brands are king. The anti-brand argument is directed from three key angles highlighting these as major issues in our world today; 1) the way that brands have come to dominate our mental environment, 2) the erosion of public space and the political sphere (Potter, 2010), and 3) the contradiction in brand values with the exploitation of poorer nation workers. The anti-brand viewpoint is that large corporate brands have become so rich



and so powerful that they now command control not only over choices and decision-making processes of consumers, but also over the world's governments, and all at the expense of the world's poorest and most venerable people.

Angle 1 – Brands dominate our mental environment

In today's market driven world of consumerism, marketing managers strive to imbed into the minds and souls of consumers their brands with symbolic meanings, while attaching a unique personality to the brand to provide a specific image or style that consumers can identify with, as well as making emotional connections with consumers through their brand (Hollenbeck & Zinkhan, 2010).

The power of branding is all around us. In the clothes that we wear, the cars that we drive and the food that we eat. Over the past 20 years companies have really evolved the idea of what a brand is and what it offers to its consumers. No longer do brands simply provide information about the particular products they offer. Brands are now creating an idealistic world where they define the kinds of people that their customers can expect to become and the kind of lifestyles they should expect to attain by using their particular brand (Caccamo, 2009). By targeting evermore-specific market segmentations and identifying particular cultural and social values in order to sell their products and services, and by appealing to their consumers deepest and often unknown needs, fears and desires, effective branding has become the cornerstone of modern corporate success. While brands are shaping our lives and the world that we are living in, they are also guilty of; shaping our identities, hindering our psychological development, masking the abuse of workers and creating unrealistic personal expectations (Caccamo, 2009).

Coca Cola is the world's most recognised brand and has maintained promises to customers; "To inspire moments of optimism and uplift", "The Pause that refreshes", "The Coke side of life" and more recently "Open happiness". Are these really realistic expectations of a can of sweet brown fizzy drink? (The Coca Cola Company, 2010)

If branding has become the cornerstone of corporate success then surely the success comes at too high a price (Caccamo, 2009).



Angle 2 – The erosion of public space and the political sphere

With the continuing growth of big business, the sprawl of urban areas and the increasing commercialisation of public areas, consumerism, and therefore branding has led to a mass-invasion of public space. It is now impossible to escape marketer's attempts to coerce consumers into their web of manipulation and persuasion, with advertising and brand presence dominating urban spaces. We see brands on everything from billboards, signs, the sides of buildings, taxis, buses, trains, public transport stops, promo vehicles, posters, flags, and in our skies. There is even advertising to advertise places to advertise. Branded advertising is strategically placed in our sight and into our consciousness making consumers vulnerable to branding every second that they are in public areas. Indoor spaces are not immune to this pervasive behaviour either with branded advertising being found in educational institutions, airports, doctor's waiting rooms, hospitals and elevators. Our homes and vehicles also offer no escape with marketers targeting consumers via radio, TV, the internet and even product placement in the movies and TV shows that we watch. In most cases today cultural, music and sporting events cannot be run without the aid of corporate sponsorship; Lipton Iced Tea Sounds In The Sun, Jim Beam Home Grown, Heineken NZ Tennis Open, National Bank One Day Series. This is due to the direct affect of the perceived value of entertainers, sportspeople and sports team brands due to their endorsements and the advertising opportunities that they offer to associated brands.

Not only is public space seeing an invasion via brand advertising but also in its access and traditional use. Through the commercialisation of once public areas we are seeing more and more control implemented over what we can do and where, more often than not to facilitate commercial business and consumerism. Youth used to have the option to skateboard or BMX in any public area of their choosing. Now-a-days these activities are very much confined to specified purpose built and often branded or sponsored areas. As urban areas continue to expand many council owned public areas are being converted into commercial estates, car parks or sold off to multi-national corporates such as Westfield in order to develop massive multi-level shopping complexes, all the time being fueled by consumerism. Commercial mining is in debate at the moment, where there may be an environmental impact on a public area on NZ's South Island. There is currently protest to an Australian company (Bathurst Resources) developing an area of the Denniston Plateau, with promises of 400 new jobs and \$41m being injected into the local community, but at the expense of an important ecological area (TVNZ, 2012).



Global brands have become so rich and so powerful that they command a controlling role not only over the world's consumers but also over the world's governments. With corporate brands leading the globalization of the world, governments are pressured into negotiating trade agreements, dropping trade barriers lowering taxes, and the deregulation of markets (Potter, 2010), all in an effort to facilitate the expansion of big business, leading to the further globalization of the worlds biggest brands in sales and in manufacturing. The corporations get richer; meanwhile factories in home nations are shut down, leading to mass job losses. We even see this at a local level where decisions regarding advertising practices, commercial land zoning, roading and public transport routes are made with concern primarily to capitalist interest in order to facilitate commercial and consumer growth. So often you will see motorway exits (Sylvia Park Shopping Centre, Auckland) created to allow better access to commercial areas.

Fueled by consumerism and globalization Corporations are becoming the true world leaders, but in all the wrong ways.

Angle 3 – The contradiction in brand values

Building a global brand is a complex and timely exercise. The process comprises of three fundamental steps, in developing a brand that consumers will fall in love with and go back to time and again; creating a product or service that provides consumers with an expected level of satisfaction, earning the trust of the satisfied consumers, and developing an intimate brand/consumer relationship. In creating this relationship a consumer is buying into a story, a way of thinking, behaving and feeling, a promise that they will indeed live in this story when using that brand. This story is based on the brand's message and the values that it represents. It is the brands responsibility to deliver and live up to that promise.

Apple is a global brand that is consistently valued in the top 5 brands in the world. Apples core brand value as quoted by the late Steve Jobs is; "We believe people with passion can change the world for the better, and that those people who are crazy enough to think they can change the world, are the ones who actually do" (Renolds, 2011). Apple has built a brand that focuses on emotions. The Apple brand personality is all about lifestyle, freedom and self-expression, with an emphasis on design and smart simple technology that removes the complexity from peoples lives, as wells as being a very humanistic company with a heart felt connection with its customers (Marketing Minds, N.D).



As globalization creates more competitive markets with an influx of low-cost brands targeted to western consumers, corporate brands are seeking to reduce their production costs by moving manufacturing to countries such as China, where labour costs are lower and labour laws are less strict. While causing mass job losses in their home countries, global brands such as Apple take advantage of this opportunity to reduce costs, therefore increasing profits by exploiting the world's most vulnerable workers with inhumane working conditions, under paying and literally working them to an early death.

In an iPad factory (Foxconn) in the south of China under investigation in 2010, it was revealed that due to strict overworking and crowded cockroach infested barrack like dormitory living the 24/7 production line saw 12 suicide attempts over just a 4 month period with the youngest being only 17 years old (Jones, 2010).

Noted that this was not an Apple owned factory, as is often the case. But surely corporations must take some responsibility over the companies that they contract to manufacture their products. At comparative prices that branded products are sold for in western stores you would expect there to be some provision in place to ensure that all workers employed to produce these products are paid fairly and are treated with respect and dignity. The truth is that global brands have no interest in anything apart from having their products manufactured and delivered to market in a costly and timely fashion.

When a corporation is selling a brand promise and portraying a value that is identified with by consumers who buy into that idea, it is an absolute contradiction of those ideas and that promise for the corporation to then allow their brands products to be manufactured with such a disregard of human wellbeing, a stark difference from their own corporate brand values.

Summary

Considering all three angles of this argument we are left with a world where corporations not governments rule. A world where consumerism is rife and the ultimate benefactors are corporate brands that care no more for the government's they control or the poorer nations that they exploit than they do for the billions of consumers that they manipulate daily into buying into an idealistic world that exists only in the minds of equally fooled consumers and in the corporations bank accounts.



The key points of this argument are centered on corporate brands, with an anti-globalisation/capitalism theme.

- *Brands dominate our mental environment* - The way that corporations conduct themselves in their profit driven attempts at manipulating consumers into buying into their brand promise, with little consideration of the impacts of brand driven consumerism.
- *The erosion of public space and the political sphere* – Brand's invasion of all areas of public space with unavoidable advertising and mass commercialisation. Corporate brands are achieving this by flexing their immense power by pressurizing local and national governments into facilitating their continual growth and globalisation.
- *The contradiction in brand values* – Corporations contradicting their own brand values and culture by exploiting the world's poorest and most vulnerable workers, while all the time deceiving their most loyal followers and becoming richer and more powerful.

2.3 Pro-Brand Argument

The anti-brand campaign has been floating around for the best part of 15 years. Brands however are as strong now as they were at the end of the 20th century when the anti-brand movement really started to pick up steam. This pro-brand argument has been developed from three angles. 1) Corporate brands raise standards of living in developing countries, 2) The differentiation of products and services is essential in consumer lives, and 3) Advertising is a necessary evil. Brands are the single differentiator in today's markets between what is and what is not value in the consumer world. However, today's world markets are consumer led with strong competition in all market categories. Therefore brands do not lead the market or fuel consumerism, consumers do. The world's biggest brands if poorly managed and not well marketed are just as vulnerable to extinction as the rural corner dairy. Corporations are also vulnerable to government policy, which may dictate how they are to conduct their business, particularly with global expansion. If not for corporations and the globalisation of their brands and manufacturing, many developing countries would still be living in third world conditions.



Angle 1 - Corporate brands raise standards of living

Corporate brands are leading the way in raising developing countries standards of living and wealth by providing paid work to millions of otherwise poor residents by way of globalising manufacturing. It is however very important that corporations take all measures possible to ensure that the working conditions in factories producing their products are of an acceptable standard. Corporations must show accountability and a sense of social responsibility in meeting with their own brand values or this can have very negative affects on a brands image and equity.

Apple was back in the media in March 2012 regarding allegations of poor working conditions amongst its Chinese suppliers, (particularly referring to the 2010 Foxconn case discussed earlier). If this situation is not dealt with quickly and efficiently, and working conditions do not improved dramatically, then as quoted by Kenneth Lieberthal, director of the Brookings Institution's China center and author of 'Managing the China Challenge: How to Achieve Corporate Success in the People's Republic, "Trouble in your supply chain can really hurt your reputation globally, extremely rapidly" (TVNZ, 2012).

Corporations cannot deny that working conditions are not always perfect in their supply chains. The fact is that corporations generally do not own these supply factories, they do however have a significant influence and are able to set minimum standards of working conditions, working hours and pay rates. They must then monitor these to ensure that supply partners are indeed maintaining the required standards.

Apple's supply partners are required to adhere to strict global standards and they have hired teams from the Fair Labour Association to interview Foxconn workers regarding the working conditions but particularly the 2010 suicide cases. Foxconn are raising salaries by 16-25% and have advertised a basic monthly wage at 20% higher than the minimum wage, before overtime (TVNZ, 2012).

Even leading global brands like Apple acknowledge the importance of maintaining a level of working conditions and are taking measures to control this. Although more could be done, corporations today are taking measures to ensure that they maintain a sustainable business model to enable a successful marriage between global manufacturing, customer satisfaction and profitability.



The truth is that without the globalisation of manufacturing, countries such as China would not be experiencing the economic boom that we are seeing today. There are now almost as many middle-class Chinese, as there are US residents. Corporate brands have brought to developing countries economic growth and stability, leading to higher salaries and better standards of living. Factories that contract to corporate brands in fact provide for superior working conditions, as the corporate brand becomes accountable for the supply chain of its products.

"Where you see suppliers working with the brands, you see both improvements on the business side and improvements on the labour side. Suddenly, you don't need excess overtime because you're running a good operation. Your margins are higher, and you can afford to pay people a little better." Richard Locke, head of the political science department at the Massachusetts Institute of Technology (TVNZ, 2012).

Angle 2 - Differentiation is essential in consumer lives

The key value of a brand to the consumer is differentiation. Without the ability to differentiate one product or service from another the world would be a mono-toned place where everybody looked, talked and thought like everybody else, with no place for self-expression. Brands give people something to aspire to, something to build towards and to reward with a sense of achievement. Brands inspire people to hope, love and dream and enable them to express themselves in a way that represents who they are and what they believe in. Yes corporate brands become rich through our desire to want more, but this is fuelled by consumers, by human nature, not by brands. If there is no demand for a product or service then no amount of marketing trickery will create that demand. Consumers are a fickle bunch and brands can become tomorrows liquidation headline just as quickly as they became yesterdays hot brand experience.

A successful brand is the brand that understands its customers the best. A brand that knows intimately the things that a consumer needs and most desires. A brand will then develop a relationship with that consumer and maintain to satisfy that consumer long into the future. By building these relationships and continually delivering on their brand promise, successful brands will develop an image of quality, trust, excellence or respect, there by setting a benchmark for similar brands to measure by. It is this benchmark and brand differentiation that is the essence of the consumer market. Without it there would be no security or guarantee to consumers when purchasing a product or service as to



what is and what is not a good buy, of value or quality. This benchmark is set by the consumer. A brand is merely a tool with which to measure by.

Angle 3 - Advertising is a necessary evil

As markets become more competitive it is necessary for brands to deliver their messages and values to consumers in new and different ways. Consumer's lives have become busier and more mobile and it seems that there really is no escape from brand advertising. However advertising, particularly in the public space has become such the norm that it would be strange to imagine no advertising around our towns and cities. Advertising is now big business the world over. Many of the joys that we take for granted in our daily lives would simply not be possible if not for the hundreds of billions of dollars spent globally on marketing every year. Radio, TV and moviemakers would not be able to afford to operate without the marketing dollar. The sports teams that we love and hate would never be able to travel to fixtures or play in world-class stadiums if not for the marketing dollar. If not for the donations of socially responsible corporations like McDonalds many not-for-profit charities such as Ronald McDonald House would not be able to function. Marketing subsidises local governments to maintain and expand urban infrastructure and makes it possible for businesses to engaged with its consumers in order for the consumers to know who they are, where they are and what they do. Imagine walking into a supermarket to find a store with no advertising for guidance and rows of shelves filled with brandless items with no measure of difference. Many of the simple pleasure that we enjoy in our lives are made possible due to advertising, and advertising would be a pointless exercise if not for brands.

Summary

A world with no branding would be like an ice cream with no flavour. We live in a market driven world with such competition that consumers are the rulers of the roost.

The key points of this argument are centered on the importance and necessity of brands in our world today.

- *Corporate brands raise standards of living* - Corporations are leaders in developing economical sustainability of not only western society, both socially and in infrastructure, but also of developing countries. Brands now acknowledge their moral and social responsibilities and make a concerted effort to ensure that workers in supplier chains are both paid and treated fairly by their local employers. By



globalising, manufacturing corporations are leading the way in raising the wealth and standard of living of developing nations.

- *Differentiation is essential in consumer lives* – In this consumer driven world brands are our only means of differentiating products and services, allowing for consumers to purchase with confidence and a pre-defined expectation of their satisfaction levels. Global Brands allow us to express ourselves and to identify with likeminded people at home on the streets and from around the world.
- *Advertising is a necessary evil* – Without advertising and general marketing, with the hundreds of billions of dollars per year that this industry represents, we would not enjoy the simple pleasures that we take for granted everyday. Our lives are subsidised by brands large and small with their marketing dollar. Without brands this marketing dollar would not exist.

4.0 Debate Summary

Both sides of this debate offer sound research based arguments, yet their perspectives could not be further apart. The three angles per case discussed earlier are in direct conflict of each others positions, leaving it up to the reader to decide which viewpoint is right based on their own personal beliefs and opinions. The key conflicting positions to consider are:

- Anti-brand argument believes that brands manipulate consumer minds, persuading them into buying into an idealistic world, fuelling consumerism.
- Pro-brand argument argues that the world markets are consumer driven and that brands are vulnerable to consumers. They believe that the market requires a differentiation that only brands can offer.
- Anti-brand argument believes that brands are imposing on our lives with the invasion of public space with advertising and commercialisation.
- Pro-brand argument argues that brand advertising and marketing are necessary as it subsidises our lives and allows us to know when, where and how to obtain the things that we want and need.
- Anti-brand argument believes that governments both local and national are controlled by powerful corporate brands and that the brands are ruling our world, facilitated by governments.



- Pro-brand argument argues that governments have the power through policy to dictate what brands are, and are not able to do. Suggesting that governments have the ultimate power, not corporations.
- Anti-brand argument believes that the globalisation of manufacturing by corporate brands leads to the exploitation of workers in poorer nations, which is a contradiction of their core brand values.
- Pro-brand argument argues that by globalising manufacturing, corporate brands are raising the standards of living in poorer nations by creating industry, work and a stable economy with which to build from.

5.0 Position Discussion

Although both sides of this debate hold compelling points of view, and many academic journals have been written in support of the anti-brand argument, I take a position strongly in support of the pro-brand argument.

The anti-brand activists of the 90's made some serious inroads into the anti-brand debate and can safely say that they in fact won the battle, uncovering the likes of Nike, who were forced to completely reform their global manufacturing policies, in order to align this more closely with their brand values. This led to worldwide change in the way that corporations viewed their roles and responsibilities concerning overseas factory workers and the way that their employers treated them, but also in the way they acknowledged their social responsibilities in general.

This argument however was voiced almost 15 years ago, so has become a dated viewpoint. Since that time corporations and marketers alike have learnt valuable lessons from the likes of Naomi Klein (and here books on how to be a better marketer), on how not to manage their brands. Corporations now-a-days produce and monitor comprehensive code of conduct and ethics policies which must be adhered to by all managers and employees, internal and external. No doubt there are still situations today where working conditions are not perfect but continued pressure and public opinion will eventually win. I think it is undeniable that the positives of global manufacturing, with the economic growth in poorer nations far out ways the negatives. After all, no country or industry is perfect.



Although brand managers and marketers today spend huge amounts of time, energy and resources identifying exactly what it is that consumer's want, need, like and dislike, in order to tailor marketing campaigns directly to them, this is business and is a part of life. If marketers did not do this then we would never be satisfied with life, because businesses would not know what consumers wanted so would not cater to them.

The no brand argument is almost a pointless discussion, as this would never happen. The argument can only be discussed hypothetically. Without brands it would be impossible for consumers to differentiate between individual products. This would create a valueless society where capitalism would not exist, business would be a means to an end only, and there would be no reason to excel or strive to achieve anything, as the rewards for success would be no more than the rewards for adequacy. We would not be able to express ourselves in the lifestyles that we live, as our lifestyles are expressed in the brands that we identify with in our every day lives.

I acknowledge that advertising can be an unwanted intrusion and governments sometimes path the way for capitalism and globalisation, but this is the world that we live in. Everybody from individual to country strives to better themselves, and brands offer the simple measure of that journey. Even our ancient forefathers saw the value in brands. Brands are not going anywhere.

6.0 Pumpkin Patch Discussion

Pumpkin Patch's decision to outsource its manufacturing to China came almost 20 years ago. The company knew that if it was to expand and remain competitive then global manufacturing was the only answer.

"The company realised early on that the origin of a garment had little impact on consumers. What mattered was having the right product at the right price". Design and Development Manager, Carly Tolley, Pumpkin Patch (Dominion Post, 2005)

Pumpkin Patch have put into place rigorous supply and quality processes to ensure that Pumpkin Patch's reputation of quality and design is maintained, as well as ensuring that working conditions in supply chains are fair and humane. Pumpkin Patch enforces a comprehensive code of conduct & ethics policy.

(See appendix 1: Pumpkin Patch Code of Conduct & Ethics Policy)



Pumpkin Patch extends its social responsibility to monitoring its supply chain. It aims to ensure that no supplier uses child labour, by for example, having auditors make random checks on factories in China (NZCBESD, N.D)

Common opinions towards products that are manufactured in China are that of poor quality, and that consumers would prefer to purchase non-Chinese made products. The truth is that in today's market you are stretched to find clothing brands that are not manufactured in China. The quality in modern Chinese factories is now equal to that of any other country. Major brands like Levis, Quicksilver, Lee, Volcom and Vans all outsource their manufacturing to China.

In a 2009 survey of satisfaction with Baby/Children clothes and accessory stores in NZ, Pumpkin Patch was rated the highest with a 91.6% satisfaction rate (Stop Press, 2010).

Consumers are now becoming desensitized to where clothes are made and are selecting by brand, quality and price.

Testimonials taken from the Huggies NZ forum:

"As far as clothes and house stuff go, I look for quality rather than where it is made. It's too hard to avoid made in China completely and I have to live on a budget"

"The best clothes I buy for my kids are from Pumpkin Patch and JK Kids and all their clothes are made in China" (Huggies NZ, 2011)

Although Pumpkin Patch have products manufactured in China, the brand is recognised internationally for quality and design, and the company has won numerous accolades including the 2010 NZ International Business Awards supreme winner (NZTE, 2010).

In today's clothing market it seems that brand, quality and price are considered over where a garment is made. This may be due to the number of major brands that are now outsourcing their manufacturing to China as well as the quality of clothing that is now coming out of China.



6.1 Recommendations

Considering all aspects of the anti-brand v's pro-brand argument I do not believe that Pumpkin Patch require any changes in the way that they market their brand and products. Pumpkin Patch products have been manufactured in China for almost 20 years. The company makes a concerted effort to ensure that supply partners are adhering to the company code of conduct & ethics policy, and the brand is recognised and celebrated for its innovative design and international business efforts. The fact that an iconic NZ brand has 'Made in China' printed on garment tags does not seem to have an impact on sales or on consumer perception of the brand. The Pumpkin Patch brand is strong enough that the brand alone ensures to customers that they are purchasing a quality NZ designed product regardless of where it is made. Consumers believe in the Pumpkin Patch brand and will continue to support it.

Many of Today's major brands be it clothing, electronics, or homeware, have shifted their focus away from product manufacturing and are committing their resources to design and brand management. This shift in function has significantly reduced company costs and allows for expansion, which has in turn reduced sales prices, directly benefiting consumers. It is a win-win situation. At the end of the day, in a consumer driven market quality and price is everything and 'Made in China' is an expectation.

As the Pumpkin Patch brand continues to expand into new markets, it would be unrealistic to expect the company to bring manufacturing back to NZ. The manufacturing capacity would not meet demand, the quality may or may not be better, but the costs would be significantly higher. Pumpkin Patch is no longer a boutique brand, and is not trying to be. Pumpkin Patch produces affordable, quality, designed children's wear to multi-national markets. It is important however that Pumpkin Patch continues to monitor its supply chain to ensure that high standards are maintained in product quality as well as in supply chain working conditions.

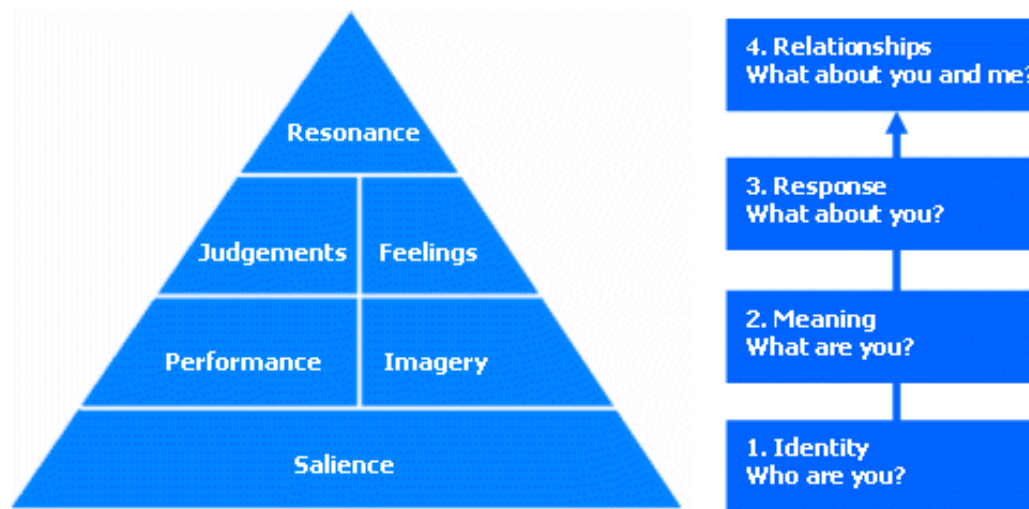
A helpful exercise for Pumpkin Patch to understand fully how the brand is perceived in the market would be to undertake market research. Valuable lessons can be learnt by asking consumers what they like, what they don't like or how they suggest things may be improved. From there Pumpkin Patch would have a much better idea of how their customers feel about such things as product quality, value, design and even their opinions on clothing being manufactured in China. An outcome to possible negative feedback to 'China made' could be to launch a quality boutique brand made in NZ and



targeted to the high-end market. At any rate Pumpkin Patch will continue to be respected as an iconic NZ children's wear brand, being welcomed into the lives of families both here and abroad while living up to its core brand values.

6.2 Suggested Brand Equity Framework

Although Pumpkin Patch has strong brand equity in its key markets, in order to maintain strength and continue to build brand equity in new markets, it is important to understand how a strong brand is built. By applying Keller's 'Customer-based Brand Equity Model' to the Pumpkin Patch situation we are able to demonstrate how a company may use this framework to measure brand equity, and to ensure that the right steps are taken in order to build strong brand equity in all trading markets.



(Figure 2: Keller's Customer-based Brand Equity Model (Frost & Sullivan, N.D))

The pyramid is constructed of six brand building blocks. Each building block represents a step in reaching significant brand equity, which is achieved only once a brand reaches the top of the pyramid.

When establishing new markets Pumpkin Patch must first create brand '*salience*', a measure of brand awareness, which will give their products the Pumpkin Patch identity. Only once consumers know of and recognise Pumpkin Patch's brand, will the next building blocks be achievable. '*Performance*' and '*imagery*' are the beginnings of developing brand loyalty amongst consumers. Pumpkin Patch must maintain a high level of quality and design in their products, differentiating them from other brands, while building a favourable brand image, representing Pumpkin Patch's core brand values and benefits. This will create a meaning in consumer minds that is then linked



back to the Pumpkin Patch brand. With a positive perception of the Pumpkin Patch brand and products, consumers will make a personal connection with the brand by way of their own '*judgements*' of core elements of the brands performance and imagery, as well as their emotional '*feelings*' towards the brand experience. Only if these are both positive will we see Pumpkin Patch reaching the top of the pyramid, brand '*resonance*', being the ultimate relationship between consumer and brand. A situation where consumers become loyal followers of Pumpkin Patch, with a strong emotional connection and attachment to the brand (Keller, 2008).

In Pumpkin Patch's most established markets, NZ and Australia, resonance may have been achieved to a certain extent. This state in consumer/brand relationship is not a given though and must be constantly maintained. Market research must be undertaken in order to assess where the brand is achieving well or not so well in order to nurture its relationship with consumers, thus building and maintaining a state of resonance. This state is measured by way of a framework such as Keller's 'Customer-based Brand Equity Model'.

6.3 Brand Equity Model Application – Pumpkin Patch

Brand salience

- Brand has a strong association with the children's wear clothing category.
- High brand recognition, is at top of mind in children's wear shoppers.
- Consumers know the Pumpkin Patch logo and understand the brand values.
- Brand has deep awareness in the market.

Brand performance

- Company maintains a high level of product quality and style.
- Price matches product benefits.
- Pumpkin Patch offers excellent service and availability/purchase options of products.

Brand imagery

- Consumers identify with the brand message and values.
- Brand is viewed with favourable perceptions.
- Consumers are able to make strong, favourable and unique associations to the brand.



Brand judgements

- Products meet expectations of consumers in quality and style.
- Consumers believe the Pumpkin Patch story, considering the 'Made in China' tag.
- Consumers view the brand as offering superior benefits to competing brands.
- Consumers consider the brand strongly when planning children's wear purchases.

Brand feelings

- Brand evokes positive emotions in consumers of warmth, security, social approval or self-respect.
- Consumers transcend positive feelings to other consumers, word-of-mouth advertising.

Brand resonance

- Consumers display a deep loyalty to the brand.
- Consumers action their loyalty by showing repeat-purchasing behaviour.
- Consumers have a strong personal attachment to the brand, 'love' Pumpkin Patch.
- Consumers engage with the brand, voluntarily receive mail-outs and newsletters.

By adopting this framework into their brand management strategy, and maintaining the consumer/brand relationship, Pumpkin Patch will reach the top of the pyramid with brand resonance. This will set the platform for Pumpkin Patch to expand from a multi-national company to a corporate global brand.



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Appendices

Appendix 1:

Pumpkin Patch Limited Code of Conduct & Ethics Policy

This policy is to provide guidance to all directors, managers, employees and contractors of Pumpkin Patch Limited and its subsidiaries (together the Pumpkin Patch Group or the Group) on how it expects them to conduct themselves when undertaking business on behalf of the Pumpkin Patch Group.

SCOPE

This policy covers all Directors and employees of the Pumpkin Patch Group in all jurisdictions.

POLICY

Pumpkin Patch expects its managers to lead by example and perform their duties in accordance with this code and ensure that all ethical standards and responsibilities set out below are communicated to all people reporting to them. If a local law conflicts with this policy, then you must comply with the local law. If a business or region has policies or practices that require more than is required by this policy, then you must always follow this policy as a minimum, complying with the laws and regulations in each country in which Pumpkin Patch conducts business, and complying with its own policies and procedures. Violation of law or Group policy are subject to discipline, which may include termination.

Pumpkin Patch's reputation and credibility are based upon its total commitment to ethical business practices. To safeguard the Pumpkin Patch reputation, employees must conduct themselves in accordance with the highest ethical standards and also be perceived to be acting ethically at all times. Compliance with all relevant laws and regulations is the minimum standard.

EMPLOYEES

Commitment & Responsibilities

Pumpkin Patch will respect the human rights of its employees, treat them with dignity and respect, provide safe work conditions, and promote the development and best use of employee talent and equal opportunity employment. Pumpkin Patch will protect the confidentiality of employee records.

Actions that constitute harassment or discrimination in the workplace will not be tolerated and any report of such actions will be investigated and dealt with appropriately.

Employees must contribute to building and maintaining work conditions that are safe, fair, respectful and free from discrimination and harassment for all individuals.

Directors, managers and employees must not directly or indirectly engage in any activity that may by association cause public embarrassment to Pumpkin Patch.

Employees, former employees, independent contractors and directors, are encouraged to make a disclosure when they suspect a serious wrongdoing within the Group.

Any questions or concerns or a breach of legal obligation or one of Pumpkin Patch's policies should be communicated to an appropriate person.

Political Interests

Political contributions to any Government official, political party, political party official or candidate or



election committee must not be made, whether directly or indirectly on behalf of Pumpkin Patch, without prior approval of the Board of Directors.

CUSTOMERS, SUPPLIERS, CONTRACTORS AND JOINT VENTURE PARTNERS

Commitment & Responsibilities

Pumpkin Patch will deal openly and honestly with its customers, suppliers, contractors, and joint venture participants and avoid conduct that is misleading and deceptive. When making business decisions, the group's guidelines as detailed in the Employee Handbook must be followed.

Pumpkin Patch will compete vigorously in all markets in which it participates but will at all times act in compliance with the law. Under no circumstances will collusive practices be accepted.

BUSINESS INTEGRITY

Business Principle

Pumpkin Patch insists on honesty, integrity and fairness in all aspects of its business and expects the same in its relationships with all those with whom it does business.

1. The direct or indirect offer, payment, solicitation, or acceptance of bribes in any form is unacceptable.
2. Pumpkin Patch employees should avoid conflicts of interest between their private financial activities and the conduct of Pumpkin Patch business. Where such a conflict of interest arises, employees should report the matter to their direct Manager and/or the Company Secretary immediately.
3. All business transactions on behalf of Pumpkin Patch must be reflected accurately and fairly in the accounts of the group, in accordance with established procedures, and are subject to audit.
4. Pumpkin Patch directors and employees will maintain and protect the confidentiality of confidential information entrusted to the Group by customers, technical principals, work colleagues, suppliers and shareholders.

Conflict of Interest

Pumpkin Patch expects its employees to act in the Group's interest at all times.

Pumpkin Patch employees will not engage in any other business, commercial or investment activity that would conflict with their ability to perform their duties to the Group.

Employees must not engage in any other activity (cultural, political, recreational, social) which could reasonably conflict with the Group's interests and interfere with the performance of their duties.

Employees must not use any group property, information or position, or opportunities arising from these for personal gain or to compete with the group.

Employees trading in Pumpkin Patch Limited shares are required to do so in line with the Group's Securities Trading Guideline.

Gifts, Entertainment and Bribery

Employees should not give or accept gifts, entertainment, or any other personal benefit or privilege that could in any way influence or appear to influence any business decision.



This does not preclude giving or receiving gifts or entertainment that are customary and proper in the circumstances, provided that no obligation could be, or be perceived to be, expected in connection with the gifts or entertainment.

It is unacceptable to directly or indirectly offer, pay, solicit or accept bribes in any form. Any attempted transaction of this nature should be immediately reported to their supervisor, a member of the senior management team or to the Audit & Risk Committee.

Integrity of Financial Information

Shareholders, management and other interested parties must have complete and accurate financial information in order to make informed decisions.

Many Pumpkin Patch employees participate in accounting processes that directly impact the integrity of external financial statements and internal management reports. Employees have a responsibility to ensure that transactions are recorded in Pumpkin Patch 's accounts accurately and promptly and they must immediately report any known inaccuracies.

Misrepresentations that result from intentional acts that may conceal or obscure the true nature of a transaction are clear contraventions of this Code.

Protection and Use of Property

All members of the group, directors, managers and employees are responsible for protecting group assets. These include physical assets and intellectual property used in carrying out their responsibilities and for taking reasonable steps to prevent the theft or misuse of, or damage to, such property. This includes corporate information and intellectual property such as inventions, copyrights, patents, trademarks and technology. As Pumpkin Patch may license intellectual property from other companies, employees must also ensure that property of this nature is protected in accordance with the agreements giving Pumpkin Patch the right to use the property.

Equipment, tools, materials, supplies, and employee time are to be used only for Pumpkin Patch's legitimate business interests. Pumpkin Patch property must not be borrowed, loaned, or disposed of, except in accordance with the appropriate Pumpkin Patch policies.

Business Controls

Pumpkin Patch policies, procedures, and authorities exist to ensure that the business objectives of Pumpkin Patch are achieved in the proper manner.

Managers and supervisors must ensure that an effective system of business controls is in place for their area of responsibility.

Employees must ensure that transactions are conducted within their level of authority and in accordance with prescribed policies and procedures.

If employees view any policies, procedures or authorities to be inappropriate or outdated, they must not ignore them, but should discuss the issue with a supervisor and the originating department.

Confidential Information

It is vital that we protect the privacy of Pumpkin Patch's confidential information. Confidential information includes proprietary, technical, business, financial, joint venture, customer and employee information that is not available publicly. It is the employee's responsibility to know what information is confidential and to obtain clarification when in doubt.



Employees must not disclose confidential information to any person outside of Pumpkin Patch unless authorised to do so. This includes, as prohibited, any disclosure of confidential information to family and friends. Where confidential information is entrusted to persons outside of Pumpkin Patch, efforts must be made to ensure the continuing protection and confidentiality of that information. Within Pumpkin Patch, confidential information should be disclosed only on a "need-to-know" basis.

Employees must not use confidential information for unauthorised purposes. They must also take reasonable care to protect confidential information against loss, theft, unauthorised access, alteration, or misuse.

Departing Pumpkin Patch employees who have had access to Pumpkin Patch confidential information will be reminded of their continuing responsibility to protect it and maintain its confidentiality. Pumpkin Patch expects that employees joining it from other companies will not disclose the confidential information of those companies.

This confidentiality constraint refers to the use of all non-public information except where disclosure is authorised or legally mandated.

HEALTH, SAFETY AND THE ENVIRONMENT

Business principle

Pumpkin Patch will provide a workplace that minimizes health and safety risk to directors, managers, employees, contractors and visitors to any of its operations throughout the world. The health and safety policies of each operation should be made available to ensure compliance.

Consistent with its commitment to contribute to sustainable development, Pumpkin Patch exercises a systematic approach to health, safety and environmental management in order to achieve continuous performance improvement.

To this end, Pumpkin Patch manages these matters as any other critical business activity, sets targets for improvement, and measures, appraises, and reports performance.

Key activities include risk management, community and other stakeholder consultation, and remediation and restoration.

Employees, contractors, and joint ventures under Pumpkin Patch's operational control are expected to be conversant and comply with health, safety and sustainable development policies, standards, and procedures.

ACCOUNTABILITY

It is a condition of appointment and or employment that all Pumpkin Patch directors, managers, employees and contractors must understand and adhere to Pumpkin Patch's Guidelines as detailed in the Employee Handbook and at all times abide by these standards, requirements and procedures. They must:

- Commit to individual conduct in accordance with Pumpkin Patch's Code of Ethics;
- Observe both the spirit and the letter of the law in their dealings on Pumpkin Patch's behalf;
- Recognise Pumpkin Patch's responsibility to its shareholders, customers, employees, those with whom Pumpkin Patch does business, and to society. Assess priorities in the context of discharging these responsibilities appropriately on Pumpkin Patch's behalf;



- Conduct themselves as responsible members of society, giving due regard to health, safety, and environmental concerns, and human rights, in the operation of Pumpkin Patch's business;
&
- Report any suspected breach of the law or this code of ethics to the Audit & Risk Committee of the Board who will protect those who report violations in good faith.

