What is happening to the brand?

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"Managers no longer are in driver's seat".
(von Wallpach et al., 2017)

1. A brand is a managerial system that continuously evolves under the influence of multiple drivers both internal and external, including managerial styles, consumers and technologies (Berthon *et al.*, 2003; Louro and Viera Cunha, 2001; Low and Fullerton, 1994). This ceaseless evolution concerns all the components of the brand system, including conceptual foundations (i.e., the conceptualization of the brand and the sources of its value), managerial approaches and organizational solutions (Vernuccio, 2017).

The external factors that currently have a greater impact on the evolutionary dynamics of the brand system can be traced back to the digital revolution, with the exponential spread of social media and user-generated content (Burmann, 2010; Gensler *et al.*, 2013). The main forces at play in the new hybrid and networked world (Castells, 1996) are hyper-connectivity (Vernuccio and Ceccotti, 2015), openness (Tapscott, 2012; Vernuccio, 2014) and artificial intelligence (Osservatorio Artificial Intelligence, 2018; Wirth, 2018).

- Hyper-connectivity is a driver that affects different aspects of the digital economy, such as the integration of online and offline networks at a global level, the development of interactive relationships within these networks (data-driven and multi-way) and the omnipresence of interactions (anytime, anywhere and any device);
- Openness is a force that pushes the marketing context and brands to become more transparent, collaborative and decentralized, thereby expanding traditional roles (e.g., consumer vs. prosumer);
- Artificial intelligence, which is inextricably linked to big data, refers to new cognitive functions enabled by hardware and software technologies to develop intelligent machines (McCharthy, 1987). In this manner,

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nodes of the hyper-connected network become intelligent, i.e., capable of interacting with the environment, learning, adapting, problem solving and planning (Vernuccio *et al*., 2018).

In this new context, what is happening to the brand? To answer this question, we propose some reflections on the main brand-changing phenomena concerning conceptual dimensions of the brand system.

2. The conceptual dimension of the brand system defines what the brand is and what the sources of the brand value are. Following the extensive analysis initiated by Merz *et al*. (2009) and then developed by Vernuccio (2017), it is possible to identify different conceptual perspectives along about a century of branding evolution. Along this *continuum*, it is possible to recognize an evolutionary path that transforms (Mühlbacher and Hemetsberger, 2008; Veloutsou and Guzman, 2017; Wider *et al*., 2018):

- static, linear and objective visions into dynamic, reticular and subjective visions;
- managerial centralization by controlling brand meanings into decentralization by engaging stakeholders in co-creation processes;
- centrality of the individual and dyadic relationships into centrality of social entities and multi-way relationships.

In the early stage (1900-1930), the concept of brand was conceived in a static and objective way, that is, as a set of signs ("brand as a sign") which identify and distinguish the product/producer, thereby making the buying process easier (Copeland, 1923). Therefore, brand value was viewed as intrinsic to the product.

Then, from the 1930s to the 1980s, the brand's vision became more subjective due to psycho-social studies, which define the brand as a set of mental representations ("brand as image"), carriers of functional and symbolic meanings (Park *et al*., 1986) whose value is not strictly related to the product.

In the next phase of brand evolution (1980-2000), studies on perceptive mechanisms (Keller, 1993) were developed and the focus on consumer-brand relationships was strengthened (Fournier, 1998). Two new conceptual dimensions emerge, "the brand as identity" and "the brand as dyadic relationship". According to the first dimension, the brand becomes a quasi-human being by acquiring personality traits (Aaker, 1997) and an identity (Aaker and Joachimsthaler, 2000; Kapferer, 1992) which is defined as "a unique set of brand associations that the brand strategist aspires to create and maintain" (Aaker, 1996, p. 68). Brand identity is static, enduring and strategically orientates the promise of value as well as the relationship

between brand and consumer. Personal components of this relationship, such as multiplicity of constitutive dimensions (e.g., self-concept connection, intimacy, love) and the forms in which it can be expressed (e.g., best friendship, courtship, enmities) are studied (Fournier, 1998). According to these conceptual propositions, the source of brand value – or brand equity – is mainly consumer-based and perceptual, comprising awareness, associations, perceived quality and loyalty (Aaker, 1991).

Throughout the digital revolution (i.e., after the turn of the twenty-first century), relational horizons have been broadened and enriched. In this new context, the brand is conceptualized from a dynamic perspective based on socio-cultural, experiential and process-oriented approaches (e.g., Cayla and Arnould, 2008; Merz *et al.*, 2009). Here, even the traditional concept of brand identity is losing the static nature under a strict managerial control, opening up to complex co-creation dynamics in the stakeholder's ecosystem (Gyrd-Jones and Kornum, 2013; von Wallapach *et al.*, 2017) and meaning's negotiations (Vollero *et al.*, 2016).

In the new scenario, the brand is interpreted by literature as:

- an open brand (Pitt *et al.*, 2006);
- a complex ongoing social process (Mertz *et al.*, 2009);
- a social platform with which stakeholders can openly engage (Ramaswamy and Oczan, 2016);
- a dynamic experiential entity full of life (Veloutsou and Guzman, 2017);
- a nexus (or node) of a global network that includes both online and offline social worlds (Vernuccio, 2017).

Therefore, we argue that the brand can be conceived as a "social brand", that is a complex social entity, which is acted and acting simultaneously.

- "*Acted social entity*" because the brand has become an ongoing process acted by stakeholders, as well as by management–an engagement platform open to inputs from all stakeholders, both on and offline (Mertz *et al.*, 2009; Pitt *et al.*, 2006; Ramaswamy and Oczan, 2016).
- "*Acting social entity*" as the brand has turned into an intelligent node (Vernuccio *et al.*, 2018) that is endowed with "networked self" (Papacharissi, 2011), social identity and social capabilities (Wider *et al.*, 2018).

Consequently, the value creation is multidirectional (Veloutsou and Guzman, 2017) since "brand value is developed dynamically, through complex social interactions with and among stakeholders, following engagement dynamics and cultural negotiations within communities of fans or much more extensive networks" (Vernuccio, 2017, p. 1786).

3. The new brand "social paradigm" (Vernuccio 2017, p. 1788) imposes a profound rethinking of traditional brand management thought and practice (Gyrd-Jones and Kornum, 2013; Vernuccio and Vescovi, 2016), pushing towards branding approaches oriented to hyper-connectivity, openness and artificial intelligence. Below, we propose three interrelated strategic directions, toward which we believe it is urgent to contribute with theoretical and empirical studies.

- *Brand orchestration management*. The opening of the brand to social interactions inevitably leads to a loss of control: "the well-established and predominantly shared control-centric mindset of brand management, manifested through practices attempting to direct stakeholders on the 'right' ways of interpreting intended brand-related manifestations, needs to be disrupted" (Wider *et al*., 2018, p. 3). Branding should no longer be centred on the dogmas of control and persuasion but instead on the direction of orchestration of social interactions in a twofold meaning – on the one hand, in terms of influence with an aim (Fournier and Avery, 2011, Rosenthal and Brito, 2017), and on other hand, in terms of free reciprocity. In this new managerial mindset, the logic of improvisation should also be welcomed (Singh and Sonnenburg, 2012), along with the greater importance assigned to execution with respect to planning (Fournier and Avery, 2011).
- *Brand engagement management*. If traditional branding focuses almost exclusively on differentiation from competitors (Reeves, 1961), perceptual positioning (Ries and Trout, 1986) and relevance for the individual (e.g., Young & Rubicam's Brand Asset Valuator Model), the brand-changing phenomena outlined above should lead towards new engagement managerial systems (Harmeling *et al*., 2017). The latter should foster conversation, collaboration, participation and co-creation by recognizing the centrality of social engagement (Kozinets, 2014), primarily through the proposal of culturally relevant and resonant meanings (Fournier *et al*., 2008).
- *Brand risk management*. In a context dominated by the unpredictability of the brand-related social interaction dynamics, the brand manager should learn from the risk manager (Fournier and Avery, 2011) in order to systematically protect brand equity and brand reputation through continuous identification and assessment of risk factors. Furthermore, the focus should increasingly be on how to manage negative brand outcomes based on the analysis of antecedents (i.e., information, attitudes and experiences) that leads to brand hate (Zarantonello *et al*., 2016).

In conclusion, the brand's new life is in its infancy. If digital technologies have first offered the open and hyper-connected platforms

necessary to give rise to widespread brand-related interaction processes, the advent of artificial intelligence is opening up new frontiers towards the brand's conquest of greater levels of "vitality" and a growing relational autonomy. As Veloutsou and Guzman (2017) claim, the brand is currently "full of life" (p. 6).

Marketing scholars are urged to guide managers in the growth of awareness of the need for changing mindsets and practices, thereby building new frameworks for the management of the "social brand".

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