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The Logic of the Brand

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1. The Logic of the Brand

Is there an emerging new mode of production, not simply a disintegration or disorganization of the Fordist industrial economy [cf. Lash & Urry 1987], but the emergence of new ways of producing wealth and making profits: a new economic logic? Social theorists have been suggesting this for a long time now, as debates about post-Fordism, post-industrialism or "post-materialism" have combined with more precise positive suggestions like "knowledge economy" [originally Drucker 1969], "information economy" [Castells 1996] or, on the post-Marxist side, "cognitive" [Vercellone 2006], or "informational" [Lash 2002] capitalism. Despite the diversity of terms that have been thrown around, there is a fairly broad agreement as to what such a new economic logic would look like. First, most agree that it would be based on immaterial production, services or information in some kind (either cognitive knowledge or aesthetic experiences) as the core source of value. This does not mean that material production disappears, but that it becomes secondary. It becomes strategically more important for companies and other economic actors to produce knowledge, innovation, design and life-styles, as the material objects that carry this valuable information become easier to produce (and by implication easier for others to copy). Second, there is also an emerging consensus that this crucial immaterial productivity tends to be increasingly socialized. That is, the production of information tends to depend less on the skills and resources of salaried employees and other resources at the direct command of the firm, and more on the ability to appropriate, enclose or otherwise valorize a socially produced surplus, like the social capital of the industrial district; the innovativeness of the learning region; the "cool" of the creative city; the aesthetic creativity of youth culture or the general wisdom of the networked and technologically empowered "crowds" [Surowiecki 2004].

This reliance on an externality in the shape of socialized immaterial productivity is visible in a host of contemporary business practices. In the new online economy of "web 2.0" it is not so much attention and traffic that counts, as much as productive user activity. The key to attracting fabulous sums of investment (like the $1.65 billion paid by Google for the online video portal YouTube) is to generate a platform where users willingly interact, network or produce some form of marketable content. Contemporary practices like "crowdsourcing" or "user led innovation" had led many companies to externalize their research and development processes, relying on the knowledge of their customers or the public at large. This has now progressed to the point that, according to IBM's Global CEO study, "customers and business partners" have, for many companies, by far surpassed the internal R & D department in importance as a source of innovation [IBM 2006]. Within the organization itself finally, it has long been established that creativity and flexibility requires large amounts of self-organization among employees. Thus knowledge intensive companies (and many ordinary manufacturing plants) now rely on the ability of employees to organize autonomously, creating their own teams, projects, social ties and communication networks [Castells 1996]. Although these developments might not account for a large quantitative share of the world economy, they are recognized by most business actors as the hegemonic trend: what one needs to adapt in order to stay afloat. However this awareness is not paralleled by sufficiently detailed sociological analyses. What we particularly need is a theoretical model that can allow us to analyse and perhaps criticize these developments. This article is a modest step in that direction. It argues that the brand can serve as an ideal typical starting-case for the development of such a theoretical model. If Marx (and many others) began with factory in their attempts at making sense of industrial capitalism, we might do well by beginning with the brand.

Although brands are by no means a quantitatively dominant value-form in today's economy (however, their relative importance has been rising sharply in the last 20 years[1]), I suggest

[1] While it is difficult to give exact figures for this development, estimates claim that during the mergers and acquisitions wave of the 1980s about 20 per cent of most bid prices were motivated by the value of brands. During the dot.com boom of the mid 1990s that figure was closer to 70 per cent in some sectors. Comprehensively Jan Lindeman of the Interbrand consultancy group estimates that the economic weight of tangible assets in non-financial businesses has decreased from slightly over 70 per cent in 1980 to slightly over 50 per cent in 2000. The corresponding increase in intangible assets includes things like patents and intellectual property rights, but since the relative weight of brands versus other

that they are paradigmatic of the new informational mode of production, and that they are central to the social formation that is developing around it, what I will call "informational capitalism". Indeed as institutions, brands seem to be well on their way to social and cultural hegemony. Branded consumer goods are ubiquitous and have achieved a perhaps unprecedented importance in the lives of some consumer groups (the young, the upwardly mobile, the aspiring poor); companies give increasing importance to their brands as marketing vehicles and as managerial tools; and whole range of other things are also becoming "branded": cities [Evans 2003], nations [van Ham 2001], an even, ideally, you, yourself [Peters 1999]. Like the factory in its time, the brand seems to have become the natural model for the organization of a whole range of different social formations [cf. Gramsci 1971].

More importantly however, the brand (like the factory in its time) offers an exemplary empirical manifestation of the value-logic of informational capitalism. Firstly because brands themselves are a form of immaterial capital. In accounting terms, one simple way of calculating brand value is by looking at the premium price that customers are prepared to pay for a branded good in relation to functionally similar but generic "commodities"[2]. Brands thus represent the additional value of the informational content of commodities. This way the growing relevance of brand value to corporate wealth can be understood as the direct economic expression of the trend towards the "aesthetization" or "culturalization" of commodity production that theorists of "post-Fordism" or "post-modernity" have pointed at for a long time [cf. Harvey 1990; Jameson 1991; Lash

intangibles has increased in the same period a substantial share of this increase is attributable to the growing economic weight of brand values [see Arvidsson 2006, Ch 1].

[2] This is obviously a fictitious measure, since it is virtually impossible to find a functionally equivalent yet unbranded product. Another popular measure is to look at the difference between the market valuation of companies and their book value, this difference is then simply ascribed to "brand value" That way brand value comes to stand for the intangible resources that the company can command, like customer attention, social standing, "trendiness" or internal value coherence. These are treated as "intangible" simply because they are beyond the direct control and management on the part of the accounting systems that the company deploys. The very absence of any straightforward way of measuring these values is part of the condition of informational capitalism, as I will explore further below.

1990]. But, as I will argue in this article, this valuable informational content does not only build on the efforts of the commanded labor of salaried knowledge workers or "creatives", like brand managers or advertising executives. Increasingly, it also builds on the productive efforts of consumers and of the public at large. This way, brands not only illustrate the importance of information as a carrier of value; they also provide a tangible example of how such valuable information is produced through autonomous processes of productive interaction that might lend themselves to partial appropriation, but that can seldom be entirely commanded or controlled. This way, brands give a good illustration of what many now consider the key principle of informational (or "cognitive") capital: that value tends to depend less on the direct exploitation of commanded labor, and more on the appropriation of productive externalities in the form of socialized General Intellect [Morris-Suzuki 1997; cf. Dyer Withford 1999; Lazzarato 1997; Marazzi 1999]. But, brands, as a form of valuable information, cannot be reduced to "knowledge", they are not just "conaissance cristalliseè" as André Gorz [2003, 33] has claimed. Rather, brands are mainly relational objects [Lury 2003]. The marketing literature generally defines "brand equity" (the capacity of a brand to generate value) as the potential inherent in the complex of social relations subsumed by the brand. This can be relations between the brand and its distribution (in terms of market strength and "shelf space"); between the brand and its customers (in terms of loyalty, experiences or other forms of associations) and between the consumers themselves in terms of brand communities and the importance of brands for personal identity, see [Aaker 1991]. Brand equity thus consists of a set of proprietary social relations. In this sense brands are examples of social interaction made into capital, they are a form of "ethical capital". Consequently brand management is primarily about organizing such relations between the brand and its customers (and, increasingly, between customers by means of the brand). It is about managing the affective dimension of social interaction, making sure that a desired modality of interacting and relating arises. This way brand management is about what Brian Massumi [2004] calls "affect modulation". Because brands work mainly to turn affect into value, they can give us a key insight into the growing economic importance of affect and "experiences" in the information economy [Pine & Gilmore 1999].

2. Mass Intellectuality

Commercial branding in the modern sense took off in the late 19^{th} century with mass production and mass consumption. It now became necessary to provide anonymous mass produced goods with a recognizable identity. The brand served this purpose connecting the anonymous object to familiar myths, a fictitious producer or an invented tradition. The brand served as a simple "maker's mark" that identified products and thus enabled both meaningful consumer choice and producer responsibility. It was not until the 1950s, however, that the brand was taken seriously as managerial tool. Marketing professionals now began to talk about brands as distinct from products (and not simply as the marks of products). Burleigh Gardner and Sydney Levi's seminal 1955 *Harvard Business Review* article on "The Product and the Brand" established the concept of "brand image" as "a public image, a character or personality that may be more important for the over-all status (and sales) of the brand than many technical facts of the product" [Gardner & Levy 1955, 35]. To them brand image consisted in the set of symbolic meanings and affective relations that had been established in the public culture of the new media-sphere (now organized around television), and in social interaction between customers. Brand Management developed as a discipline devoted to the management of this important public resource[3].

The new focus on brand management and on the brand as a valuable resource in itself was connected to changes in consumer and media culture. Television, suburbanization, the rise of the new middle class and the new importance of youth culture enabled new relations between people and consumer goods. Previously goods had acquired most of their use value from various sets of pre-established needs and desires (whether these came from

[3] Although brand management was established as a managerial practice in the 1950s, Procter & Gamble was the first company to institutionalize the figure of the brand manager, already in the 1930s.

popular traditions, new forms of class habitus or from advertising and commercial culture). Now it seemed that the use value of goods was increasingly *produced* in consumer practice. Marketing practitioners referred to this tendency as "post-materialism", "new hedonism", or "post-conformism", Pierre Bourdieu identified it as the particular habitus of a new middle class of symbol analysts, what he called the "new cultural intermediaries" [Bourdieu 1984 [1979]], but the conclusion was the same: Now more than before, goods served symbolic, experiential or relational purposes. They were deployed not simply as functional solutions to pre-existing problems, but as a sort of social media that allowed the establishment of personal identity, social relations to neighbors and peers, or the "deep participation" in the experiential reality of consumer society. This tendency was strongest among the suburbanized middle class and in youth culture, precisely because these groups had been disconnected (or had disconnected themselves) from tradition and inherited value structures. Goods now increasingly acquired value as they circulated in the social [cf. Lee & LiPuma 2002]. The task of brand management was to manage such processes of productive circulation, to enable them to generate desired forms of consumer practice.

True, anthropologists and historians have established that consumers (and other kinds of users) have probably always been productive, giving their own meanings and functions to goods (and other kinds of objects) in the practices of their everyday lives. In the post-War decades however, the condition of such productive practice changed in two important ways.

First, it was substantially empowered. In part this was a matter of new media technologies entering deeper into everyday life and inviting themselves to be deployed productively in new social circumstances, like in the case of record players, Polaroid cameras and later tape and video recorders and home studio equipment. All of these functioned as tools that could be deployed productively in a wide variety of social situations. This tendency would be even clearer with the networked information technologies that emerged in the 1990s. In part it was a matter of new production and consumption technologies that permitted a greater range of diversity and, consequently, new kinds of experimentation, as in the case of the introduction of deep-freeze technology, which in combination with electronic ovens (and latter microwave ovens) significantly expanded the range of options that met the individual shopper. (Frozen microwavable meals were the main channel for introducing "ethnic" cuisine- like Italian, Mexican and Indian dishes- into British households in the 1990s.) But more than anything else, the new, more diversified media environment made a wider range of information and knowledge available, and actively catered to an experimenting, interactive attitude. Cooking programs (made more attractive by colour television) introduced a wider variety of cooking styles and recipes and encouraged imitation and experimentation. Food and wine journalism grew out of cooking programs and fostered an attitude of active information seeking and deployment on the part of middle class consumers. Beginning in the 1980s, food and wine journalists, celebrity chefs and television personalities together with the supermarkets did an impressive job in educating the middle classes into wine consumers that were capable of distinguishing between and experiencing wine in a much more sophisticated manner than before. Similar things happened to fashion clothing, home technology, music, and most recently antiques. The mediatization of consumption created a commonly available informational environment that made resources that primarily had been private, the outcome of good breeding, or what Pierre Bourdieu [1984] called "class habitus", public: generally available in the public domain. To be able to distinguish between wines it was no longer necessary to have been born into the *haute bourgeoisie,* it was enough to subscribe to *Wine Spectator*. This becoming public and generally accessible of private competences greatly enhanced the scope and productivity of consumer agency.

Second, the structural position of this productivity changed, both in relation to the everyday life of consumers, and in relation to the value circuits of the culture (and consumer) industries. In everyday life, consumer goods, media technologies and Media Culture acquired an important function as *means of production*, by means of which new relational networks, cultural meanings and, more generally, forms of life, could be forged. The early works of the British Cultural Studies traditions illustrate this brilliantly by showing how the "*bricolage*" of youth culture worked to construct new forms of sociality in situations where the traditions of "adult society" no longer provided adequate guidance [Hall & Jefferson eds. 1975; Hebdidge 1979]. The culture industries began to discover the productive potential of this socialized creativity, and to position it as an internal element to their own value chains. Thus the music industry actively surveyed youthful innovations and incorporated the results as new market niches. When the system stabilized in the 1960s the effervescence of youth culture was positioned as an internal element to its productive circuit and, consequently, a creative or at least interactive attitude was inscribed in the context of music consumption as such. In the ensuing decade, "youth culture" and "counter culture" were extensively surveyed to provide new sources of innovation, fashion and "cool" [Frank 1997]. Similarly, market researchers developed a host of qualitative or "psychographic" methods that made it possible to observe and appropriate the actual meanings and affective relations that people ascribed to goods, and to survey the dynamic evolution of consumer culture: see [Arvidsson 2006] for a more detailed account of these developments.

From the point of view of political economy this new productive role of consumer practice can be understood as a result of the progressive socialization of capital, chiefly by means of the culture industries. As capital, in the form of a commercial media culture and new "means of consumption" [Ritzer 1999] like supermarkets or record players, penetrates the social fabric of everyday life, it tends to organize and mediate social interaction in new and different ways. Just like in Marx's famous analysis of machinery, this reorganization enables new forms of productive cooperation. Marx argued that this reorganization produced a synergic effect in terms of a "general productive power" or "General Intellect", a set of common cognitive, social and affective competences available to all participants in the production process (by virtue of their status as "social individuals") and beyond anybody's direct control [cf. Marx 1973 [1939], 705-711]. With his thesis on "General Intellect" Marx argued that the socialization of capital produces a common productive force that remains beyond the control of capital, and thus challenges the monopoly over the means of production, which is the foundation for power of capital. Now, we can read the socialization of the means of consumption and circulation that has occurred in the post-war years- and intensified with the contemporary revolution in information and communication technologies- as a process in which Marx's General Intellect expands beyond the factory gates and comes to invest the lived social fabric as such. Indeed, Paolo Virno [2002] has argued that we should no longer identify General Intellect with machinery or fixed capital. Rather, it is now mainly articulated through concrete subjects, in living labour. He uses the term "mass intellectuality" to denote a condition where living labour, or life itself, had come to function as the "determining articulation of General Intellect". The culture and consumer industries (the two now tend to become indistinguishable) have recognized this and reorganized to position this socialized general intellect, or "mass intellectuality" as a productive resource. Value is generated not only through the production of commodities, but also by making commodities circulate in the social and appropriating the results of the productive practices that are thus generated. This way, commodities begin to function as means of production that can be deployed to generate valuable immaterial resources like attention, traffic or "buzz". This is particularly evident in contemporary business practice where mobile phones are sold with heavy subsidies in order to generate taxable traffic, commodities are handed out to (or "placed with") influential groups to create "buzz" and trigger virtual marketing processes, and web applications like MySpace or Second Life are freely available in order to attract users and attention. Indeed from the point of view of contemporary brand management, the commodity itself is primarily a tool to be deployed in the productive management of mass intellectuality. The scope of this managerial intervention needs not necessarily be to sell more commodities: it can also be to maximize the monetary value of the immaterial outcomes that the circulation of such commodities can generate. This is evident in the fact that calculations of brand value build not only on sales results, but also on direct estimates of the attention, loyalty and social standing, that is, the affective and relational complexes that arise as commodities circulate in the social.

3. Brand Management

"Nokia...connecting people!"
Company slogan

The inclusion and appropriation of an essentially external and (at least relatively) autonomous mass intellectuality as a productive resource has long been established as a key principle of informational capitalism. Brand management can be understood as a first managerial response to this new productive condition. This response first developed within marketing as a way of dealing with and incorporating new and more powerful kinds of productive consumer practice. But the influence of branding principles within management proper, as in "organizational culture" and "organizational branding" that occurred in the early 1980s, can likewise be understood as response to a similar challenge facing management. Firstly, new, "networked" organizations fostered greater degrees of autonomy and self-organization, and the emerging class of knowledge professionals or "symbol workers" was less likely to submit to rigid command. Secondly, the social movements of the 1970s had put issues like the environment and the exploitation of third world workers on the public agenda. As the power of public opinion was enhanced by new information and communication technologies, companies needed a proactive strategy to foster their public image. These two factors spurred the development of systematic corporate branding strategies, and latter, Corporate Social Responsibility [CSR] programs. The dual scope of these measures was to strengthen the public standing of the company, and to foster a coherent internal affective "climate" characterized by the right kind of "values" that were able to provide the right kind of motivations and, ideally, foster desired forms of subjectivity and identity attachments among employees.

This situation obviously required a different approach than that of the Fordist bureaucratic corporation. Since mass intellectuality cannot be directly commanded, you cannot order someone to be "creative", "cool", or even sympathetic to your cause, management instead must proceed by designing particular kinds of affective environments, or "platforms" where these effects are likely to arise spontaneously. Usually these measures are coupled to varying degrees of control and surveillance. Brand management is thus about creating a "platform" (in the loose sense of that term) in which autonomous productive interaction can unfold in controlled ways and can be empowered in particular predetermined directions. The relative and absolute investments of control and design vary in different cases. At one extreme we have the corporate brand. This is generally a space structured by a rigid set of values that are implemented throughout the organization by means of different forms of design, from the design of logos, buildings and physical spaces, to the design of the affective environment for interaction and subjectivity formation, by means of "coaching" or "training" measures that can rank form the team meeting to the weekend survival course. The purpose of these measures is to create the corporation as a smooth ethical space, where certain values naturally come to permeate interaction and subjectivity formation. These initiatives are generally paralleled by strong measures of control, internet surfing habits are surveyed, email is scanned and social interaction is restricted through sexual harassment policies and various codes of conduct. Finally, the productivity of interaction is constantly surveyed through periodic performance reviews, quality measurements and benchmarking. Action and interaction leave informational traces that translate into feed-back data for management, and accounting parameters used to evaluate performance and to distribute internal resources. (British academics recognize this in periodic QEA and RAE trials), [cf. De Angelis & Harvie 2006].

Online environments like the networking site MySpace are similar. Here interaction is empowered in particular directions through the design of the very environment itself. MySpace triggers constant creativity among its users, personal websites and lists of "friends" ask for constant updating [Lovik 2006].

That way a continuous productivity is stimulated. Although control might be less strict than in a corporate environment (however most such sites employ a some sort of content control or "quality review" team and encourage peer reporting of undesired forms of material or conduct), surveillance is generally intense, as online habits directly translate into valuable market information. Indeed the main commercial value of such sites rests on the advertising revenue that they can attract. This in turn is premised on their ability to valorize that space by qualifying it in terms of user data. User interaction becomes valuable in so far as it can be *measured*, and translated into market data.

Finally the branded object comes with certain ready-made features that tend to encourage certain modalities of use or ways of relating to other people by means of the object in question. These can be the result of product design or investments in advertising and media presence. If these strategies are successful, the branded object effectively alters the affective framework of certain kinds of actions: it feels different to drive a BMW; with a Macintosh you are received as a creative person; with the right kind of sneakers your peer status at school is enhanced, and you are invited to belong to certain social cliques[4]. In the case of branded objects control is generally non-existent, but surveillance is intense. Market research, cool hunting that captures the creativity of vanguard consumers, and data mining of credit cards, surfing habits and bar-code scans provide the kinds of data that can feed back into the elaboration of brand design and positioning. This way well-managed brands are able to anticipate mainstream consumer tastes and come up with what most people recognize as what they had secretly and unknowingly desired. This kind of information also feeds into financial estimates of "brand value" that have a growing impact on the prices of stocks and shares. (Some companies build up to 70 per cent of their total market capitalization on the estimated value of their brands alone[5]).

We can find many other examples and combinations (like the branded city, which is heavily designed and often intensely controlled by means of surveillance cameras, but where little data is gathered through surveillance), but the key point is that brand management aims at including and appropriating mass intellectuality by providing a platform where this resource can be

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[4] Various consumer testimonials to these effects can be found on the "Lovemarks" website, a space set up by the Saatchi & Saatchi "ideas company" to survey the "future beyond brands", http://www.lovemarks.com/.

[5] See Interbrand's annual survey for systematic data on this at :
http://www.ourfishbowl.com/images/surveys/BGB06Report_072706.pdf.

controlled, surveyed and empowered in particular, desired directions. Such "platforms" can consist in physical or organizational spaces, tightly integrated by means of unitary design and a common value structure; they can consist in virtual spaces or technological platforms where certain kinds of actions or attitudes are favored *apriori*; they can consist in branded objects, that by means of their inscribed features (both technological and mediatic) tend to give a particular affective framework to certain kinds of actions or to organize social interaction and affective relations in particular ways. In all of these cases brand management is a matter of governing from "below" rather than from "above". It is about intervening on the biopolitical context of action and interaction; creating what Alex Galloway [2004] called a "protocol" that favors certain forms of acting or modalities of relating *apriori*. The value of brands then ultimately rests on their function as platforms for life. This way the value of a product brand increases in so far as it can encourage the repetition of a predictable form of affective pattern (a way of acting, experiencing and relating) across a wide variety of situations and in ways that can be subject to measurement. The same principle applies in the case of online environments like MySpace (sold to Rupert Murdoch's NewCorp in 2005 for $ 580 million) and YouTube (acquired by Google in 2006 for $ 1.65 billion). Their commercial values build on their ability to function as platforms that aggregate and organize social interaction in particular ways.

It then becomes possible to sketch out a model of the value circuit of the brand. Departing form Marx's classic M-C-M model for the circulation of capital we can establish a first circuit where surplus value is abstracted through the control of commanded labor. This can be the labor of material production (often outsourced to low-wage countries, or to informal or illegal production systems), or it can be a matter of the immaterial labor that designers, programmers or service workers perform (like the important call center workers who produce a particular affective relation to the brand through their highly scripted interaction with customers). The important point is that the valorization of capital here depends on "traditional", factory-like ways of extracting surplus value. This circuit tends to be the least important one. For successful product brands like Nike the value of the material product can be as low as 20 per cent of the final price. For online platforms like MySpace and Second Life the contribution of salaried labor is dwarfed by the mass of productive user input[6]. In addition there is a second circuit, in which investments in media and design generate a proprietary platform on which mass intellectuality can be controlled, surveyed and empowered to varying degrees. The resulting productivity can be appropriated as a directly productive input to the design, product or brand development process, as in "cool hunting", "user led innovation" systems or "crowd-sourcing"[7]. A growing number of companies make recourse to user-led innovation strategies where consumers are invited to contribute to the design and development of new products or brands, often by means of some form of online forum or web community. Procter & Gamble allegedly increased the productivity of its R & D with 30 per cent by actively outsourcing innovation to its consumers [Huston & Sakkab 2006]. Here, then is an example of the direct appropriation of the mass intellectuality of everyday life as an important productive externality. This logic has also begun to feed into urban development policies. The transformation of the city into a rich positive externality that can be drawn upon in creative work has, with the impact of Robert Florida's [2002] work, become a key concern, from small town America, via rural Europe to Singapore, where the authoritarian law and order state has decreed higher levels of tolerance for gays and the urban bohemia in the name of global competitiveness. The same principle lies behind managerial strategies that aim at maximizing a company's intellectual or social capital. Alternatively the productive outcome of this enclosed interaction can be directly valorized through "taxation" or "financialization". In the case of taxation, site owners can make

[6] To quote Business Weeks recent survey of "virtual worlds", residents of Second Life, *spend a quarter of the time they're logged in, a total of nearly 23,000 hours a day, creating things that become part of the world, available to everyone else. It would take a paid 4,100- person software team to do all that, says Linden Lab. Assuming those programmers make about $100,000 a year, that would be $410 million worth of free work over a year. Think of it: The company charges customers anywhere from $6 to thousands of dollars a month for the privilege of doing most of the work.*
http://communities-dominate.blogs.com/brands/2006/05/living_in_the_v.html

[7] For a review of these terms see my article on Crowdsourcing at : http://www.kommunikationsforum.dk/default.asp?articleid=12571.

users pay a fee for the privilege of producing what the site owners subsequently sell access to: an environment rich in "profiles" and opportunities for romantic adventure on a dating site, a complex and exciting "virtual world" to explore in the case of online games.

Alternatively they can charge advertisers for the privilege of using this as a medium or distribution channel. (BBC has rented a virtual island in Second Life to be used as a platform for the distribution of alternative rock music; both Banana Republic and the Gap have stores there). Although this is easier to achieve on the internet, where access and use is simple to restrict, this principle applies to other fields as well. Mobile phone companies stimulate users to make a growing share of their social life transpire through the phone, through multi-media services and mobile internet, so that they can charge for the resulting traffic. A premium price paid for branded goods can also be seen as a tax paid for accessing a value that, at least in part, has been produced by users themselves. Financialization represents the growing tendency of brand values to be realized primarily on financial markets. Measurements of the popularity and affective standing of a brand are used by companies like Interbrand to calculate estimated brand values that subsequently feed into the decision parameters of financial operators.

4. The Value of Values

> *"We have sophisticated metrics which capture Respect and Love"*
> Kevin Roberts, CEO of the Saatchi & Saatchi Ideas Company

Brands have developed into far more than just a symbol or a "Maker's Mark". They are more like social media, that connect people in different ways and that (ideally) touch on and transform their lives, and consequently themselves. (This way, Procter & Gamble is a brand that, according to Kevin Roberts cited above, "through its products, touches the lives of people around the world, two million times a day"). Sometimes such connections can involve whole subjects, as in strong corporate brands that strive to become determining elements of employee subjectivity. Mostly however it is a matter of a partial attachment: brands organize flows that involve one or several body parts, the foot that wears the shoe, the hand that shifts gears, the mouth that tastes etc. This way the value of brands are ultimately based on the ability to organize more or less disembodied forms of affective circuits [Lury 2003]. The brand is a mechanism that encloses, empowers and controls such affective investments so that they provide measurable, and hence valuable results. (Data on consumer response to a new design is aggregated into a "trend meter" that in turn impacts estimates of brand value that work as a parameter for financial decisions). Brands are a mechanism for the transformation of affective energies into valuable forms of immaterial labor.

This way brands are a form of ethical capital, at least in the classic sense of that term. "Ethics" derives form the Greek "ethos" which can mean both "habit" and "character", mood or affective state. Ethos (like brand management) relates to that which is shaped in and concerns the interaction between people, whether this be social habits and institutions or subjective moods. This connection of ethics to the inter-subjectivity, and the inter-subjective production of the social world has a long tradition in European continental philosophy, from Hegel to Arendt. Indeed, for Hannah Arendt the fundamentally ethical nature of human nature, and thus the status of human beings as political beings, was based on their capacity to construct a common social world through interaction and communication. Human beings distinguish themselves by their ability to produce what Maurizio Lazzarato [1997] has called an "ethical surplus" a more or less stable and enduring thing in common: a social relation, an affective experience or a value judgement, that was not there before. That very same tradition has consistently understood the forms of social relations imposed by capital in its ongoing subsumption of the social as directly antithetical to the fundamentally ethical nature of human nature. To Arendt, the overall discipline that resulted from this process (what she called "socialization") simply deprived human beings of their ethical nature and reduced them to rule-bound creatures, enacting the objective laws of the market or of bureaucratic rationality.

Consequently the rise of "society" in the shape of a state managed capitalist administration of the social also deprived human existence of its ethical, and by extension its political dimension. Habermas argues along similar lines in his thesis of the colonization of the lifeworld.

It is true that Fordist managerial discipline aimed at a neutralization of the ethical or affective aspects of work. The aim of Taylorism was to reduce the worker to an appendage to the machine and to minimize the margin of error and insecurity in his interaction with his fellows as well as with the machine environment. Similarly, early 20th century marketing was conceived as a "programming of consumption" in which spontaneous, "irrational" consumer desires and forms of consumer sociality were to be replaced by programmed desires for a particular range of goods together with the pre-constituted forms of sociality that they implied, like, principally, the nuclear family. Viewed with the example of brand management in mind however, this "unethical" nature of capitalism seems to have been surpassed. Today, I would suggest, capitalist valorization does not so much obliterate, as much as it re-mediates the ethical. Coherently management discourse often employs the term "values" to denote a well-mediated, smooth ethical space. Corporate values are valuable (in monetary terms), they generate "Return on Values", in so far as they are able to smoothen out and thus increase the efficiency of complex processes of cooperation. Brand management is thus about reducing the complexities of lived affective processes into a smooth compatible plane where it can be abstracted into a number of "values" that lend themselves to measurement ("just do it", or the usual corporate mantra of "respect, trust, professionalism, innovation" etc.). (At the same time, radically incompatible practices or affective investments tend to be marginalized, or even demonized).

Furthermore, for the Greeks, ethics applied to the interaction between free men, and not to the interaction between men and animals or slaves. Thus the space of ethics was also a space of freedom and indetermination, where interaction was not predetermined by rigid hierarchies ultimately sanctioned by overwhelming power, but subject to some degree of contingency and openness. It is thus clear that already from the Greeks, ethics, or the ethical problematic, has been concerned with more or less autonomous processes of interaction in which forms of sociality and subjectivity, or, in other worlds, a common social world are shaped. The technization of the lifeworld and the general "dispersal of the social" [Dyer Witheford 1999] that has accompanied the transition to the information society has greatly enhanced this space of freedom and indetermination. To some extent the very abstracting logic of brand management itself has contributed to this process: The resulting proliferation of sub-individual affective patterns has further enhanced the loss of coherence to subjectivity and the experience of life as a generalized existential "precarity" or a continuous "patterned instability" [Fumagalli, forthcoming]. In this situation, the generation of trust, community or, more generally, an ethical surplus, becomes something valuable in itself. This ethical productivity is precisely what brand management seeks to subsume and valorize. Given that the realization of these values mostly occur on financial markets, brands become yet another example (with private pension funds and health insurance) of emerging link between, on the one hand the insecurity, precarity and instability of life, and on the other, the tumultuous "animal spirits" that determine the global distribution of surplus value on financial markets.

This direct link between the precarity of life and financial markets also entail a fundamental separation between production and valorization. In the Fordist factory these two aspects of capitalist production were united in the same processes and in the same time and space (where labour time could provide a common measure of both use value and exchange value). Today they are increasingly separate. Use values, the ethical surplus, are produced in autonomous processes of productive interaction, through mass intellectuality, and value is determined in the complex turmoil of financial markets. This means that measurement is becoming a crucial field of conflict and struggle. Since there is no obvious measure to the ethical surplus that makes up the foundation for the value of a brand, brand management must proceed by imposing a measure. Hence the proliferation of bench marking, performance reviews, and quality measurements in organizations, and the dispersal of information gathering points in life, on the internet, at purchasing points, and in the immediate future through the always on mobile internet or the "internet of things" endowed with RFID tags [Dennis 2006]. At the same time however, these measurements tend to reduce or even counter the productivity that they seek to measure. It has been well documented that the proliferation of quality measurements tends to alienate workers and foster managerial discontent or even cynicism. (Nobody believes in the organizations noble values when their real existence is the mass of paperwork needed to document that one has adhered to them….). Also, the self-organization enabled by new information and communication technologies has produced a proliferation of alternative value circuits, like "folksonomies" and "affinity markets"[8]. These do not rely on the quantification of a set of predetermined variables, but rather on the bottom up aggregation of a multitude of emerging parameters. Can such bottom up value systems provide an alternative to capitalist attempts to re-impose a law of value? This, I think is one crucial question for "capitalism as we know it": will it be able to reassert and impose a law of value on the complex and multifaceted life processes that now function as an important productive resource?

5. Conclusion

By their reliance on a (relatively) autonomous productive externality- the mass intellectuality of technology enhanced social interaction- as their main source of value, brands embody the emerging logic of informational capital. The "logic of the brand" thus builds on including and managing such free sociality, channeling it into pre-structured platforms where it can unfold in controllable and measurable ways. This logic, which developed within marketing and the management of an empowered consumer productivity in the post-war years, is now becoming paradigmatic for the information economy at such. We see it at

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[8] For an explanation of these terms see Melanie Swan's essay on "Markets 2.0" at http://www.melanieswan.com/social_finance.html.

work in the knowledge intensive corporation where the strategic key to value generation lies with managing intellectual capital and corporate values; we see it in the emerging Web 2.0 economy where the (admittedly hyped) commercial success of MySpace, YouTube and Skype builds on these sites" ability to organize and aggregate autonomous user productivity[9]; we see it in contemporary business trends like crowdsourcing or "user-led innovation" where the creativity of ordinary users is systematically put to work; we see it in contemporary urban and regional development policies that aim at organizing the social and affective productivity of cities or other entities, in order to promote the generation of an appropriate positive externality in terms of "creative cities", "learning regions" or "social capital", we see it finally in the intensified technological and legal regulation of immaterial properties that underpin this new privatization of the commons. This logic of the brand is also becoming socially and culturally hegemonic: a range of distinct social formations, from religions to sport clubs conceive of and organize themselves as brands. Among the global elite or "creative class", as well as the urban precariat, personal brand management and the cultivation and subsequent appropriation of the social capital embodied in one's network is becoming the natural way form of self-presentation [cf. Wittel 2001]. Unlike the factory for Gramsci, the hegemony of the brand is not only based on the fact that this institution best expresses the logic of the dominant mode of production, and comes to serve as a model for the rest of society, or "the superstructure". Rather, the hegemony of the brand results form the fact that real subsumption has collapsed the distinction between "base" and "superstructure", between "market" and "society", to use popular terms[10]. Brands thus express the logic of control that "the market" exercises once it has become directly dominant. This logic, as Gilles Deleuze famously

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[9] This is not entirely unproblematic. Financial Times reports that Newscorp have difficulties in recapturing the money spent on MySpace as the unpredictability of user generated content sometimes makes advertisers reluctant to invest, see "Online ads shun user-generated video" FT.com16/1.

[10] To use the term "market" for what Marxists have traditionally called the "base"is increasingly adequate in so far as value in informational capitalism tends to be generated also (and sometimes mainly) in processes of circulation.

stated in his essay on "control societies" [Deleuze 1990] builds not on discipline and command, but on selective empowerment, the modulation of freedom and the control of circulation. It becomes important to ensure that social interaction- and to the extent that the "market" coincides with society as such, all social interaction- unfolds on controllable platforms: the shopping mall instead of the street, the dating site instead of flirtation and uncontrolled interaction in the office[11]; the branded neighborhood instead of the chaotic inner city. And it becomes crucial to ensure that the spontaneous forms of sociality that do arise- the "cool" of youth culture or new forms of user generated media, are readily absorbed and made controllable. This way the logic of market control rests on absorbing the freedom of actors into a space where it can be subject to measurement and control. But this very inclusion in itself tends to restrict the potential of that freedom, if nothing else by imposing limits to the circulation of objects and practices, of "commons" to use Dyer Withford's [2006] term. This points at a central contradiction. If indeed the economy of the next century will be based on the circulation of information, then present forms of valorization risk becoming directly counter-productive. The logic of the brand does not appear as the optimal form of governance for the information economy.

[11] A Canadian survey of online daters indicated that one major reason for using such services among the mobile, highly educated professionals that make up a large share of their clientele was precisely that sexual harassment policies had made the office romance– the traditional way of finding a partner among this group- impossible, see [Arvidsson 2006b].

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The Logic of the Brand

Adam Arvidsson

This paper delineates the ideal-typical model of what I call the "logic of the brand". I argue that this logic, i.e. how brands create value, represents a paradigmatic example of the dominating value-logic of informational capitalism. Value is less based on the control of salaried labour and more on the ability to appropriate and commodify a socially produced immaterial externality. This externality consists in forms of knowledge; sociality and affect that arise in (relatively) autonomous processes of media enhanced sociality. It is the new empowered capacity to create what I call an "ethical surplus" that result from new information and communication technologies, that constitutes the real foundation for the wealth that brands valorise. The paper suggests that the logic of the brand is applicable to a range of other socialized production processes, from the ethically conscious company to the contemporary participatory online economy, or Web 2.0.

Adam Arvidsson is Associate Professor of Media Studies at the University of Copenhagen. He has done research on the history and sociology of advertising and consumer culture, and on the brand as a key institution in the information economy. His present research interests are: cities and creative industries; the political economy of information and the relation between economics and ethics.

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