

Wally Olins

Viewpoints

An Interview with Wally Olins,
former Chairman, Wolff Olins
Ethical Corporation, December 2001

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Can you give us a quick run down on your career to date?

I began my career in the advertising industry and started Wolff Olins with Michael Wolff in 1965,

Wolff Olins has created a number of very well known brands. Orange, 3i, First Direct among many others and has offices worldwide working with a number of global corporations.

Omnicom bought Wolff Olins a few months ago and I left amicably. I am a Professor of Marketing and Branding at several universities and I write books and lecture in conferences and seminars.

In the recent Economist article, "Who's wearing the trousers?" you stated that: "the next big thing in brands is social responsibility...It will be clever to say that there is nothing different about our product or price, but we behave well" Is this something that your current experience would confirm?

It's clear to me that the difference between most products is now negligible – it's increasingly about the company behind the product than about the product itself. Especially where you have companies selling services across a number of areas, like Virgin or Tesco, for example.

Look at petrol companies – if you think a particular company's behaviour is bad, you can buy from a competitor. If you don't want to buy from one company, you just drive down the street and buy from their competitor. This can happen everywhere that products are commodities, not in all cases but in many.

An individual like Richard Branson or Anita Roddick – the company is associated with the reputation of the person, and vice versa. The Virgin brand is a manifestation of what he purports to be, and is therefore inseparable in the consumer's mind.

In what ways are corporate social responsibility and branding currently colliding?

Look at the way in which Nike and others have had bad press on ethical business issues and the way the 'no logo' movement is treating brands as a scapegoat, an enemy, and a power beyond control. Then you can see why it is that a lot of people

are attributing to brands a deliberate attempt to manipulate and control. But you only have to look at brands like Levis and Marks & Spencer to see that the customer is still in control. They fell from consumer favour and suffered because of it.

Of course brands are trying to manipulate the customer, we live in a world which is deeply manipulative. Children try to manipulate parents and vice versa. But corporations and their brands cannot directly control consumers, however hard they try. – the corporation will instead have to anticipate what the consumers want and provide it. Now consumers want to see socially responsible companies... and they will buy their products.

It is in the interests of a corporation to behave better for market share. Corporations are increasingly taking this into account .

Is this a gradual change over the last 10 years, or is there a sea change happening here in corporate philosophy?

I think it is a sea change – I can remember 25 years ago, the few organisations wanting a social audit were the very unusual ones back then.

Today even the most conservative and threatened of corporations knows that they have to do something, it's becoming part of their vocabulary, even if they don't believe in it. Whether or not they believe in it doesn't matter, they will not do it because they want to, but because their share price will go down if they don't get involved.

The fundamental of any corporation is share value – everything has to be measured against share value, market share and profit. Making money by behaving badly will not work if everyone knows about those that are doing it, and social pressures are beginning to become sufficiently powerful to make companies behave better. Business has moved to the front pages.

BP is projecting itself as a highly responsible social creature; it may or may not be, but it realizes the power of social responsibility..

Exxon are not bothering – they believe it has no bearing on their profit.

The Exxon attitude is the one that was shared by most companies in the past. Over the next 10 years I believe we will see a real shift to the BP attitude as consumer groups and the media increasingly highlight companies' ethical activities.

Which firms are you working with currently whose practices are taking ethical considerations into account?

Most companies are starting to try very hard, most large European companies like Shell and BP take this very seriously . Business is front-page news and this means that corporations and their brands will be pressurized into doing what consumers wish them to do. Ethical business practices will become more significant.

If the state is moving away from so many areas that it cannot control, like health and education, then the opportunities for companies with expertise in these areas also become significant.

Companies will want to become part of the fabric of society – like Tesco. If you are a pillar of the community, you are respected, admired, even loved, but above all you are trusted. And companies cannot afford to betray that trust.

How much fear is there now in the fortune 500 or bad PR issues compared to 10 years ago?

A lot – much more fear than there was, it's to do with the issue of the company moving from the business page to the front page. Look at Nike – they have been crucified by the media in recent times and they thought they didn't do anything wrong. They were doing what everyone did – obtaining high quality products at the lowest cost and selling them on for the highest price possible. They are now very worried.

Nobody suggested that anyone should behave any differently until recently. Public opinion is beginning to change all that. Ethics and business are becoming inseparable.

Wally Olins advises various corporations on branding and corporate identity issues. He is a Visiting Professor at a number of universities. He has written many books such as the seminal work 'Corporate Identity', and is currently writing a new book on branding. He can be contacted on 020 7224 2121.