



**HOW CONSUMER BRANDS  
EFFECTIVELY HARNESS THEIR HISTORY  
TO GAIN COMPETITIVE ADVANTAGE**



**THE HISTORY FACTORY**  
A HERITAGE MANAGEMENT AGENCY

## WHY PAST IS PROLOGUE

Apple vs. Microsoft. Coca-Cola vs. Pepsi. BMW vs. Mercedes. Adidas vs. Nike. Whether we like it or not, consumer brand rivalries have a way of pulling us into the fray. We form impressions. We take sides. Few among us remain indifferent.

When it comes to the relationship between consumer and brand, research shows that people think of brands not as inanimate entities, but as people with personalities. We *hate* the bank when it charges us a punitive fee, but *love* the technology company when it launches a new product. Even if we often fail to notice it, there is a distinct human dimension to the interaction. Why else would we develop such impassioned loyalty to one corporate entity over another?

Authors of *The Human Brand*, Chris Malone and Susan Fiske, trace this behavior back to our human ancestors, who developed an ability to make two kinds of quick existential judgements: “What are the intentions of this person toward me?” and “How capable are they of carrying out those intentions?”<sup>1</sup> Malone and Fiske argue that we continue to apply this two-dimensional assessment to all our interactions, including those with brands: Is this an honest company looking out for my interests or one seeking to exploit me? Will its product meet my needs or will I be disappointed?

Malone and Fiske borrow the vocabulary of social psychologists, who label these categories “warmth and competence.” We are instinctively drawn to people—and brands—that exude both warmth of intent and competence. Conversely, people and brands perceived as cold but competent, or warm but incompetent, evoke a negative response, and we usually see little reason to commit to them. It follows, therefore, that we are more open and forgiving to people and companies we perceive as largely genuine, but much quicker to ditch friends and brands we perceive to be inauthentic and untrustworthy.

This is where the field of heritage management comes into its own.

The power of heritage is its ability to positively influence how consumers judge a brand’s warmth and competence. This applies even to those not traditionally considered “heritage brands.” A company’s distinctive story becomes a unique driver, helping to set the organization apart from its competitors, and persuading consumers that the brand has always looked out for their best interests and delivered on its promises. We will always feel more comfortable greeting a trusted friend over a stranger.

---

**THE POWER OF HERITAGE  
IS ITS ABILITY TO POSITIVELY  
INFLUENCE HOW  
CONSUMERS JUDGE A  
BRAND’S WARMTH AND  
COMPETENCE.**

---

The notion that we relate to brands as we do to people appears in a 2016 *Harvard Business Review* article about strategic branding and positioning. Mark Bonchek observes that each time consumers engage with a brand, they are asking the question, “So tell me about yourself.”<sup>2</sup> For this reason, Bonchek points out that the most successful brands maintain a narrative that goes beyond *This is what we do*, to the more abstract but engaging *This is who we are*.

Heritage management is all about that narrative. *Who you are. Where you come from. Where you are going.*

## WHAT EXACTLY IS HERITAGE MANAGEMENT?

We often assume that history and heritage are one and the same—that history is heritage, and heritage is history. In practice, however, there is a crucial difference, especially when it comes to corporate storytelling.

If we define history as a comprehensive record of what happened, how it happened and who was involved, then heritage is about selection and curation. Heritage is what we decide to remember and the stories we tell each other. It is the ongoing accumulation of these stories. Some expressions of heritage are visible and conscious, such as rituals and traditions, founding stories, and oft-cited examples of innovation and success. Other elements of heritage are less obvious: think values, basic assumptions and purpose. In other words, the long-forgotten reasons why *we always do it this way*.

The artifice of timelines and how history is often taught as a chronological series of people and events encourages the notion of history—and by extension heritage—as linear. A more accurate view is to consider history as a complex web of repetitive, intersecting and interdependent patterns.

In simple terms, heritage management is the practice of taking the collective memory of an organization and systematically using it to create a narrative that is compelling, authentic and relevant, ensuring the past and present remain vital elements in the shared identity of a brand as it evolves. To put it another way, heritage management enables companies to continue forging futures out of their history and history out of their futures.

Although it might initially seem counterintuitive, the value in managing heritage starts with the future. There is little to be gained from looking to the past for the sake of posterity or nostalgia. In the words of

Chanel's head designer and creative director, Karl Lagerfeld, "Make a better future by developing elements from the past."<sup>3</sup> Once companies understand where they are going, they can claim the authenticity of where they came from. Put simply, start with the future, and work back.



### HERITAGE IN ACTION: A TOOLKIT FOR CONSUMER BRANDS

The most successful brands see their history and heritage as more than a dusty album to pull out on special occasions and anniversaries. The deep value of heritage management is the myriad of ways in which it can inform and support modern business on an ongoing basis—from product development to customer loyalty; sales training to retail design; PR to social media; and product placement to industry leadership. Ultimately, these efforts present consumers with the history of how the brand has looked out for the consumers' interests and met their needs.

---

#### THE MOST SUCCESSFUL BRANDS SEE THEIR HISTORY AND HERITAGE AS MORE THAN A DUSTY ALBUM TO PULL OUT ON SPECIAL OCCASIONS AND ANNIVERSARIES.

---

A particularly fascinating case study is the sportswear giant Adidas. Founded in 1924 by German entrepreneur Adi Dassler, the company began to lose its way around the time of the founder's death in the late 1970s. Record losses and near bankruptcy propelled the company to reexamine its past: *What was it that once made us great? How did we get here?*

It quickly emerged that Dassler's absolute commitment to innovation had always been the driver, placing functionality over style. To reconnect with that

principle, the brand launched Adidas Equipment in 1991, a new simplified line focused on the needs of athletes. Consumers responded enthusiastically, employees quickly regained confidence in the company, and the new line became a model around which to rebuild the entire company. The Equipment line now accounts for more than 75 percent of all sales.<sup>4</sup>

In an attempt to learn from the near-death experience, in the 2000s, Adidas established a history management department, rebuilt its archive by buying back shoes and clothing from collectors, and actively encouraged managers to consider what should be saved on an ongoing basis. The archive now includes 90,000 items and 10,000 images. Adidas even published a manual featuring the founder's writings titled *Adi Dassler Standards*.

The brand now actively uses its heritage to help guide its future. During product development, for example, the history management department provides recommendations and insights. Designers are encouraged to consult the archives for inspiration, and in doing so, the company continues as an innovative force in the industry.

Similar examples of heritage in action emerge across various industries. To demonstrate the breadth of ways heritage is harnessed by consumer brands, here are a few recent examples:

Supporting the launch of its Charger and Challenger cars in 2015, Dodge produced a heritage-infused "John vs. Horace" TV commercial, named after the two Dodge brothers who founded the company. The video follows the competitive pair on a century-long car chase in which they appear in many of the company's most iconic vehicles, ending with a duel between the newest models. Connecting the past, present and future, the ad ends effectively with the line: "Their Spirit Lives On."

Another automobile manufacturer that values heritage is Mercedes-Benz. Using the slogan "Future Needs Heritage," the Mercedes-Benz museum in Stuttgart, Germany, is a model for seamlessly

integrating the past with present and future—and making it profitable. With close to a million paying customers a year, the award-winning immersive museum experience takes visitors along the company's illustrious 130-year history. In connection with its museum, Mercedes-Benz operates a comprehensive Classic Service and Parts program, monetizing the expertise of the specialists who built generations of iconic vehicles.<sup>5</sup>

Back in 2001, Procter & Gamble launched an innovative advertising campaign for one of its oldest brands, Ivory soap. Over a six-month period, the company produced special heritage packaging based on the original late 19th-century design. To engage consumers, of the 55 million bars, exactly 1,051 were made to sink rather than float, a play on the fact that the soap was originally famed for its purity, which made it float. Consumers purchasing one of the special non-floating bars became eligible to win \$250,000 in prize money.<sup>6</sup>

In 2016, the sports footwear and apparel brand Vans celebrated its 50th anniversary with the launch of the Vans Pro Classics Anniversary Collection. Drawing upon the most iconic elements of its back catalog coupled with innovative new features, this special heritage collection attracted both old and new audiences. The engagement with consumers was broadened with a global "House of Vans Experience," encompassing a series of DIY workshops, shoe personalization, heritage exhibits and live musical performances.<sup>7</sup>

Cognac house Hennessy places its heritage front and center. To celebrate its 250th anniversary in 2015, it launched a special Hennessy 250 Collector Blend. The company also runs a global "Time Barrel" program, inviting consumers to "Share Your Moment—Take Part in the Hennessy Legacy." Drawing together its rich story, the company runs a museum and guided tour focused on the quality and creativity that have shaped the brand since its founding in 1765.

### BEST-IN-CLASS HERITAGE MANAGEMENT

Take a step back for a moment. Picture yourself in the early 1800s. An era before ubiquitous national and transnational brands, where commerce is conducted on a local level. You frequent the same tailor because he treats you fairly. You buy your meat from the same butcher because it's the freshest in town. You deposit your paycheck with the same bank because it proved to be reliable over generations. Companies had little need for flashy slogans and prominent billboards, let alone a concerted effort to manage and utilize heritage.

---

**LET CONSUMERS  
KNOW THAT YOU HAVE  
ALWAYS LOOKED OUT  
FOR THEIR BEST INTERESTS  
AND DELIVERED ON  
YOUR PROMISES.**

---

As companies began operating on an ever-larger scale, the need to engage national audiences brought to life a fledgling advertising industry. With no precedent, early advertisers relied upon their instincts to sell products and brands. They sought ways to transmit "local level" knowledge in a format that would engage consumers on a much broader scale.

Early national ad campaigns such as Ivory Soap's "It Floats" in the 1880s proved immensely successful, but there remained a pioneering element of trial and

error. By the turn of the 20th century, there was still no such thing as a full-time advertising copywriter. In fact, it is not untypical to discover that a copywriter for Hannah & Hogg Whiskey “got his pay mostly in sampling the whiskey.”<sup>8</sup> Madison Avenue, Super Bowl ads and 10-figure advertising budgets were still far off.

Jump forward a century.

The emergence of a tangible heritage management industry in many ways mirrors that of the early advertising industry. Companies and their creative agencies began to see the strategic and long-term value in harnessing history as a way to bolster a brand. Intentionally or not, leading consumer brands embraced heritage management, without giving it a formal name.

Efforts to manage invaluable corporate archives have evolved from the days of simply depositing “cool stuff” in an out-of-the-way location, and while terms such as “chief heritage officer” and “heritage

management department” still seem unfamiliar, heritage is fast becoming a critical component of brand management.

Ultimately, modern organizations recognize the inherent value in their brands, and a place on the *Interbrand* “100 Best Brands” list carries enormous cache. A strategic approach to heritage management and a well-managed consumer brand archive remain the most underutilized tools for achieving this. Let consumers know that you have always looked out for their best interests and delivered on your promises. Understand that your company’s heritage is the ever-evolving DNA of your brand, the blueprint for your company’s future.

It’s simple, really:

*Who you are.*

*Where you come from.*

*Where you are going.*

---

1 Chris Malone and Susan Fiske, *The Human Brand: How We Relate to People, Products, and Companies* (Jossey-Bass, 2013).

2 Mark Bonchek, “How to Build a Strategic Narrative,” *Harvard Business Review*, March 25, 2016.

3 Thomas Wuestefeld et al., “The Impact of Brand Heritage on Customer Perceived Value,” *International Journal of Marketing*, Spring 2012.

4 Ind, Iglesias and Schultz, “How Adidas Found Its Second Wind,” *Strategy+Business*, August 24, 2015. (online)

5 <https://www.mercedes-benz.com/en/mercedes-benz/classic/classic-service-parts/mercedes-benz-classic-service-parts/>

6 <http://www.nytimes.com/2001/10/25/business/media-business-advertising-ivory-soap-uses-bar-that-sinks-250000-contest-old.html>

7 [http://www.vans.com/article\\_detail/vans-celebrates-50-years.html](http://www.vans.com/article_detail/vans-celebrates-50-years.html)

8 Stephen R. Fox, *The Mirror Makers: A History of American Advertising and Its Creators* (University of Illinois, 1997), 35.

The History Factory is a pioneering heritage management firm that helps today's leading global corporations, organizations and institutions leverage their unique history to meet today's business challenges. With a dedicated creative team and a best-in-class corporate archival facility, The History Factory is uniquely positioned to harness your history and nurture your narrative.

For more information, call The History Factory at **(703) 631-0500**  
or visit us online at [www.historyfactory.com](http://www.historyfactory.com).



**THE HISTORY FACTORY**

A HERITAGE MANAGEMENT AGENCY