



XI Congreso Internacional de la AEHE
4 y 5 de Septiembre 2014
Colegio Universitario de Estudios Financieros (CUNEF)
Madrid

Brand and Its History: Economic, Business, and Social Value

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Pierre-Yves Donzé (Kyoto University): “The Globalization of Brands and the Comeback of the Swiss Watch Industry on the World Market, 1980-2010”

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Milagros Dones, Marta Felis-Rota, Juan J. Méndez and Jaime Romero (Universidad Autónoma de Madrid): “Brands and Economic Growth: The Spanish Case”

XI Congress of the Spanish Economic History Association CUNEF-Madrid, September 4-5, 2014

Session

BRAND AND ITS HISTORY: ECONOMIC, BUSINESS AND SOCIAL VALUE

**Patricio Sáiz and Rafael Castro
(Universidad Autónoma de Madrid)**

Currently, brands play a significant role in developed societies. A thorough analysis of the impact of trademarks and branding on citizens, firms and economies requires taking into account a historical approach. Brand value has been analyzed from different scientific perspectives such as those from marketing, accounting, and economic or social studies. Notwithstanding, there are key and significant issues still not addressed or poorly analyzed. From the seminal work of Wilkins (1992) focusing on the role of trademarking in the evolution of large corporations and claiming for new brand studies, only very few works have come up, generally focused on certain trademarks, firms, or sectors. It is only recently that scholars have begun to systematically disentangle the economic and entrepreneurial history of trademarking.

This session, related to the competitive and multidisciplinary research project UAM-CEMU-2012-034, is devoted to the hypothesis that the brand is an intangible asset with complex network effects. Thus, brand and trademark studies require multidimensional approaches, which include an unavoidable historical perspective. The main session objectives would be, among others:

- Building historical databases for the understanding of enduring brands and the processes of trademark management and value accumulation.
- Developing models to evaluate the historical contribution of the trademark value on economic growth.
- Assessing brand equity and analyzing the economic impact of the time of the trademark market entry.
- Reflecting on the main sociological items related to the historical development of brand communities.

Pierre-Yves Donzé
(Kyoto University)

**The Globalization of Brands and the Comeback of the
Swiss Watch Industry on the World Market, 1980-2010**

The objective of this paper is to contribute to a better understanding of brand management in the luxury goods business, through the example of the Swiss watch industry. From the late 19th century until the 1970's, there was a strong geographical segmentation of brand identity in the Swiss watch industry, as the importers and distributors in each country/region had a major influence on design, price, advertisement, etc. The consequence was that a same brand corresponded to different products and images around the world. It was seen at that time as a strength of this industry, enabling it to adapt easily to any kind of needs. However, the transformation of the world market for luxury goods – especially the competition from Japan – made it necessary for Swiss watch companies to change dramatically their brand strategy. Benefiting from the experience of managers trained in the big business of consumer goods (Nestlé, Procter & Gamble, etc.) and fashion, they implemented in the 1990's a policy for globalizing brands, that is, unifying the brand identity around the world (distribution network with flagship stores, use of global ambassadors, reducing of product range, etc.). This paper will focus on the case of the Swatch Group, the biggest watch group of the world, which currently holds a portfolio of some 15 brands, and show how the globalization of brands was realized.

Miquel Gutiérrez Poch
(Universitat de Barcelona)

Producing Ashes: Brand and Cigarette Paper in Spain (1850-1936)

Paper producers were pioneers in using brands in Spain. This feature is linked with the traditional use of watermarks in papermaking. Watermarks, indicating the paper producer, have a long history in papermaking. Sometimes, they were object of long legal fights concerning to their use. Watermarks became a key value to achieve the commercial success. Cigarette paper manufacturers, both from Alcoy and some Catalan paper districts, were those who used more explicitly brands in their production from the mid 19th century onwards. Branding was especially important in rolling paper. The strategies were diverse: from using multiple brands to focus branding on a single reference. From the early 20th century to the outbreak of the Spanish Civil War, they appeared some rolling paper brands which became central values for their producers and a clear sign of modernity. Two major examples were Bambú and Smoking.

Florent Le Bot and Cédric Perrin
(Institutions et Dynamiques Historiques
de l'Économie et de la Société and University of Évry Val d'Essonne)

Brands and Collective Identities. The Case of French Industrial Districts

In France, a law enacted 12th March 1920 on the extension of the civil capacity of professional unions giving them the possibility to register with Commercial Courts "their brands" to be "affixed to any product (...) in order to certify their origin and their manufacturing conditions". Thus, the legislator recognized the ancient practice of collective marking of industrial products. Indeed, since the early nineteenth century, some products of localized clusters were put under the protection of a collective trademark: Thiers cutlery (1801), Orleans hosiery (1803), Louviers sheets (1810) and Marseilles soap (1812). This practice contributed to the development of a collective identity in industrial districts, as well as their reputation. We propose to analyze this process through the examples of Limoges porcelain and Château-Renault leathers.

Igor Goñi Mendizabal
(Euskal Herriko Unibertsitatea)

Trademarks in Basque Gunmaking Industry. The Case of 'ASTRA-Unceta y Cía'

The huge work on Spanish firearm trademarks and invention patents published by Juan L. Calvó in 1997 shows that Basque gunmaking industry was extremely prolific in the use of trademarks. At the beginning of the 20th century there were a lot of Basque gunmaking companies that tried to differ their products from their neighbouring competitors through the indiscriminate use of trademarks. Later, the use of trademarks had a strategic aim, since the companies tried to hide the already discredited Spanish origin of their guns in order to increase business opportunities. Once the First World War was finished, some of these companies owned a better reputation and tried to give more value to their trademarks, extending their use even to other products not related to guns. After the Spanish Civil War, the companies working on this sector increased the value given to this kind of assets by adding the trademark to the name of the companies, starting an identification between the trademark and the company that remains until today. The aim of this paper is to study the evolution of the use and appreciation of trademarks in Basque gunmaking industry in the 20th century through the qualitative information included in the correspondence of ASTRA-Unceta y Cía., one of the most important and significant firms of this sector in Spain

Ramón Ramón Muñoz
(Universitat de Barcelona)

Patterns of Export Marketing prior to World War II: The Case of Olive Oil

Abstract:

Drawing on a variety of sources, this paper investigates the international marketing of olive oil prior to World War II. It documents the existence of well-differentiated patterns of export marketing across foreign markets. In particular, it shows that Mediterranean exporting firms made an increasing use of packaging, branding and advertising techniques when the product was exported to the other side of the Atlantic, whereas the opposite was true in the case of the Old Continent. It explores the reasons for such a difference in behaviour and, consequently, discusses the factors that might explain the expansion of modern export marketing in foreign markets for olive oil prior to World War II. A contribution of this paper is to show that foreign marketing strategies of exporting firms can be better understood by taking into account a relatively high number of factors, such as first globalization forces, patterns of consumption and demand, distribution systems, commercial policy and brand (and consumers') protection legislation in importing markets.

Jose Bellido and Kathy Bowrey
(Birkbeck College, London) and (University of New South Wales, Australia)

Mickey in Europe: Merchandising Opportunities and Trade Mark Struggles (1930-1940)

This paper offers numerous insights into the manner in which the brand par excellence (Mickey Mouse) spread throughout Europe in the 1930s. Although much of the critical literature on Disney criticises the power of the brand in cultural terms, our piece is a more modest attempt to unravel the nuanced interaction of marketing and advertising strategies around the character and how they were conceptualised in relation to each other in intellectual property. The idea is to focus on a significant historical (and legal) argument, the shift from toy and other goods' merchandise to the emergence of the so-called and elusive "merchandising right". In so doing, -the paper argues – it is possible to observe how the introduction of the Mickey in Europe signals the most significant crystallisation of intellectual property in the twentieth century: the imagined (global) world of licensing opportunities, timely oppositions and strategic alliances.

Milagros Dones, Marta Felis-Rota, Juan J. Méndez & Jaime Romero
(Universidad Autónoma de Madrid)

Brands and Economic Growth: The Spanish Case

The aim of this paper is quantifying the contribution of intangible forms of capital accumulation to economic growth. In particular, we account for expenditures in brand promotion and product design and distribution in the Spanish economy. We group the Spanish economy into 31 economic sectors from 1970 to 2011 and divide them according to labor intensive and capital intensive sectors. Then we develop a chain model that accounts for different forms of capital accumulation, like machinery, infrastructures and ICT investment. We find that regardless of capital intensity and different forms of capital accumulation, investment in advertising is more broadly adopted and thus must have a higher payoff than investment in product design and distribution.