**Diesel: It’s the product stupid!**

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# Abstract

One of the latest campaigns of Italian fashion house Diesel evokes *stupidity* as one of the features of successful entrepreneurship. The core value of the brand is, and has always been, ‘braveness’. In fact, since the beginning of the 90s Diesel has successfully steered away the ordinary pair of jeans from its all-American “Marlboro Man” image and, instead, gave it a more contemporary twist by defining denim as a ‘vehicle for a positive message’. At the same time company executives like to stress that the product is the most important feature of the company’s value proposition. That is though also what consumers boasting the brand want to communicate as well: to be able to appreciate good quality. In this paper I argue that the concept of quality is being taken over by, confused with, that of innovation. And that the marketing ability to imprint the quality ‘discourse’ is taking over the quality of products. In this paper I try to show how Diesel understood this well and timely

*Keywords*: Denim, G-Star, Diesel, Branding, Marketing

# Introduction

Since in last decades emotional attributes of products have gained importance as a source of competitive advantage, the attention for brands and branding as means to convey these attributes has also grown. At the same time fashion as a continuous, albeit marginal innovation system characterises an increasing number of industries, where the growing role of brands and branding as sources of revenues is evident from, among others, discussions on the financial valuation of brands, or brand-equity.

A brand’s main function being that of an identifier of the origin and thus quality of products, we would expect a brand’s image to be strictly related to the product’s characteristics. This whould imply that for instance when a company is not able to deliver constant quality the strength of the brand as an indicator of reliability should fade as well, as it loses credibility. In the business of fashion often the opposite happens. The story goes that the quality of the first items of a new collection is always better that that of the subsequent ones. For fast-fashion, vertically integrated apparel companies quality is often explicitly not mentioned as a main performance indicator, style and speed of delivery are more important. Testimony to this are, among others, the present tendency to source ready-made garments, which drives buyer-supplier relationships towards opportunistic kinds of business relations with negative consequences for e.g. consistency of quality.

In the following we question the relationship between products and brands, and argue that as brands gain iconic status, product attributes become less important in shaping the brand’s image.

I have chosen the Denim market to show this effect because if on the one hand denim as a product is quite homogeneous, at least in the perception of consumers, on the other hand the competitive advantage of successful denim producers lies either in cost-leadership or product innovation. Indeed I take product-innovation as a proxy for quality. Arguably the intrinsic quality of denim trousers is impossible to discern for most consumers, and stylistic differentiation rather limited. However an innovative image helps, and as consumers are less capable of recognising new qualities and styles, the role of branding in creating this image should increase. This would imply that as a brand gets more recognised and more refined in its meaning, product innovation becomes less important. Consumers ‘buy into’ the innovation discourse, and are less willing to question its promises as for most consumers conveying the *image* of being quality-conscious is more important than actually wearing good quality and innovative products. In other words, consumers buy and idea of quality that for Diesel means (also) being innovative, being brave.

In the first section we define branding and show how, despite the growing importance of brands and branding in western societies, branding as an enquiry field is fervent but not as defined as that of marketing, of which branding used to be but a small branch. After I further comment on the concept of innovation as a socio-cultural rather than technical phenomenon, which implies an active role of consumer’s resources and background in the valuation process of a brand. After I show how Diesel has been able to create and support an innovative image through the years, and how that is inversely related to ‘real’ innovation, at least in style.

# Branding as a ‘science in the making’

According to the American Marketing Association (AMA) a brand is “A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name”. So from the definition of the AMA we understand the brands are nothing but a physical identifier of the producer’s identity. The growing number of publications about branding, as well as the increasing number of branding ‘specialists’ indicate how this is a very young science which only recently starts coming out of age as before it was relegated to being one of the many specialties of the marketing field. As a young science the signification processes that eventually leads to a relatively stable institutionalization of a field is still very turbulent as the performative role of consumers and practitioners is producing models and concepts that are as such still undefined and overlapping. According to Araujo (2007: 219) this signification process could be referred to as ‘qualculation’, i.e. the result of qualitative as well as quantitative valuations. According to de Chernatony (1999: 158) it is only from the beginning of the nineties that scholars started exploring the ontology of brands, since companies started realizing the financial value they have. A brand’s performance in terms other than financial (brand equity) can also be assessed in terms of *presence* and of *meaning* (see e.g. Havelaar 2009: 37). Brands having a high presence (like brand awareness) and a defined high meaning (like being socially involved) are *strong* brands. The academic turbulence notwithstanding, it becomes clear that branding is gaining importance to become one of the main sources of *customer loyalty* (e.g. Keller., 1998)

# It’s the product, stupid!

In his book 'The Purple Cow' the popular marketing writer Seth Godin claims that half of the money usually being spent on marketing should be spent in product innovation in order to incrementally add *remarkable* features [[1]](#footnote-1) that people would *re-mark* and talk about. With reference to the title of the book, introducing an unexpected feature to an existing product (or animal…) would generate word-of-mouth publicity unlike any other marketing effort. According to the product lifecycle literature the way to prolong a product's life is indeed to add new features and to bring it again under the attention of the public (Saren 2006: 145). The point of Godin is that a new product feature must promote itself, i.e. the product communicates, but its role in the marketing communications mix is becoming more relevant. Moreover what Godin suggests is to *continuously* add new features, thus not just when the product reaches a maturity phase.[[2]](#footnote-2) In his terms, people would get used to a purple cow quite soon, which calls for a new, maybe yellow cow. This reference to colours is not just random. Continuous innovation in aesthetics (style innovations) is indeed what characterises fashion as an economic system. Aesthetic appreciation and style are always related to a specific socio-cultural (and historical) context. It is for this reason that one other characteristics of the fashion system is that it ‘reflects the zeitgeist’(Morand 2007). That is however not enough for a sustainable competitive advantage, as many fashion companies also fail.

But what makes a product, or for that part a brand, remarkable? In order to address this issue Cova et al. (1993) analysed the cases of Decouvertes encyclopedias and Acova radiators which were not radically innovative, and neither added groundbreaking technical features to existing dominant models, but enjoyed widespread adoption in the marketplace. More precisely they claim that a product may "...rebel against its planned function by incorporating a, not necessarily planned, *societal dimension*" (ibid: 302). They refer to this phenomenon as 'societal innovation' which is among others characterised by:

- A focus on the *social context* rather than on market segments

- A new relation between product and users

- Serving as *social links* holding together postmodern tribes.

The three points are not to be intended separately: a product is successful when it manages to add cultural value in a specific (sub-) discourse.

A product’s value cannot indeed be considered as separate from its functionality, which is contingent upon the consumer’s interpretation of its usability. In this line some scholars propose to review the traditional distinction in the marketing literature between products and services to introduce a service-dominant logic (Vargo et al. 2008). In terms of SD-logic, the value of a product “…is co-created through the combined efforts of firms, employees, customers, stockholders, government agencies, and other entities related to any given exchange, but is always determined by the beneficiary (e.g. customer)” (Vargo et al 2008: 148). It is ultimately the costumer who ‘selects’ the product and determines its value by adding private and public resources (ibid. p 149). Moreover Vargo et al. acknowledge that value attribution is the result of a process of co-evolution when claiming that the ‘service system’ incrementally improves to finally find a fit in its environment.[[3]](#footnote-3) The service- or value system is finally represented by the brand, which can thus be defined as a ‘locus of values attribution’. Arjo Klamer refers to the value-attribution process as a process of valorisation[[4]](#footnote-4). In his view a painting, a book (and for that part a car, a drink or a clothing item) acquires value, becomes meaningful in the context of an ongoing discourse, just like when *your* observation make sense or not when you intervene in a discussion with friends. The value of the brand is thus the result of a complex process of valuation where several actors are involved, and dependent on the time-space instance (i.e. the context). Moreover a performative view on branding implies that not only consumers and producers are involved in the value attribution process. Saren (2007: 144) talks about a process of a three-way ‘signification’ between buyers, suppliers and objects, that stems from the mere fact that we are constantly participating in the world and interact with objects to create ‘inter-experiences’. That means it is not only the influence people have on products that shapes the brand’s image, but also the influence products (and brands) have on people.

In the branding literature the issue of ‘products versus brands’ is overcome by distinguishing between product and concept brands, concept brands offering more products characterised by a unique identity (Boer 2009, p. 35-36). In the marketing literature of the 80s, together with the mantra of differentiation the idea of an ‘umbrella brand’ was introduced to describe brands that were adding line-extensions to their offering, in the likes of Virgin, Easy-, Marlboro and Diesel.

So far I would conclude that:

1. A brand can be defined as a ‘locus of values attribution’. In this process of value attribution consumers, producers and products are involved.
2. The role of a brand can range from being just an identifier of a product, or product attributes, to being the locus of signification in a social discourse.
3. The role of the product varies from being univocally identified with the brand (e.g. Nutella) to being irrelevant for the definition of the brand’s value (e.g. Easy-everything).
4. Being innovative does not necessarily imply radical product improvements; small but continuous style adaptations can lead to the development of significant competitive advantage.
5. The interpretation of the value of a product and thus of a brand’s ‘value system’ can differ according to the socio-cultural context of interpretation.

In the next, empirical sections I explore these statements, to find out if we can apply them to Diesel. I will also try to find out when the brand becomes more important than the product itself in driving consumer perceptions of the product’s attributes, or conversely when the product becomes more important than marketing in driving the perceptions of the brand’s values.

# Research methods

In the introduction I have formulated above concerning the roles of branding versus product innovation in determining a brand’s image. When the nature of a research is descriptive and exploratory, qualitative, interpretive approaches to research are more apt than positivist, reductionist ones based on statistical inference; this because the aim is one of theoretical rather than statistical generalisation (Yin 2003). I have chosen for a single case study which thus should be an ‘extreme’ case, i.e. a case that is particularly ‘telling’ with respect to the research aims (Ibid.). I have chosen the Italian apparel producer Diesel because: 1) Innovation in denim is at the core of its value proposition, 2) it managed to became and stay successful for over 30 years, and 3) almost from the very beginning the company aimed at creating a world-wide brand.

The methods I have used are, as said, interpretive, as I have followed the premises of grounded theory (Golding 2003). The main sources of information consisted of multiple interviews with company executives, like the general and marketing managers for the Benelux, a database with articles from several international newspapers, and an (n-) ethnographic project with students mainly aimed at exploring the consumer’s perspective.

# From Diesel Planet to Diesel Island

The company Diesel SPA, producer of denim jeans, has been praised by many not only for the quality of its products, but also for having created a whole world, often referred to by company executives as the Diesel Planet (Cillo and Lanza 2000: 130[[5]](#footnote-5)). Inhabitants of this world (or citizens, as a later version of the Planet, Diesel *Island* even issues passports) must be *brave*, *sexy*, *rebellious*, *irreverent* and *ironic[[6]](#footnote-6)*. But what does a pair of good quality trousers have to do with worlds, planets, islands, and the like?

It all started officially in 1978 when founder Renzo Rosso decided to work at creating new finishes for denim trousers, which would give these, for that time, an unconventional look. In the area of Moldena, in the productive and rich north-east of Italy mr Rosso was working in an apparel factory that was one of the several small and medium-sized companies in a typical Italian export-oriented textiles industrial district. Cross-fertilisation and ‘economies of proximity’[[7]](#footnote-7) helped Renzo Rosso start his own company thriving on the skills and knowledge of the district. In the late 80’s the company started expanding into other product categories and markets, eventually becoming one of the leading apparel companies in the world. Notoriety of the brand was however not only due to the product, arguably best quality jeans, but especially to the worldwide advertisement campaigns which started in 1991 together with the intention to become an international brand. According to the founder the name Diesel was inspired by the oil crisis of the late 1970s, but also awakens associations with workwear, toughness, durability and endurance. Most of all it was *not* an Italian name.

Quite soon the brand started sending out messages that had nothing to do with the quality of its products but rather informing people on how to deal with themselves and the world around them, the result being a *successful life*. In this respect it was innovative, as most brands where still thriving on the ‘cowboy’ associations people had with all things American (just recall the Marlboro man…). The figure 4-1 below shows a booklet which tells that buying Diesel products actually is the first step to achieving success, and also shows the international aim of the company, the focus on denim, allegiance with women emancipation and the *workwear* positioning:



Picture 1: 'How To Guides For Successful Living', shot by Jorgen Loof, S/S 1992*[[8]](#footnote-8)*

During the 1990s branding acquires importance for many companies. Brands are not anymore just identifiers of a product, or a of company’s reputation, but acquire *meaning*: buying Diesel would mean adhering to this planet and its system of values. At the same time Renzo Rosso recognises that he must cater to a need for self*-* expression, and so justifies the increasing wide array of finishes, models and product-categories sold: “That’s also why the collection is so big: You have very elaborate and complicated pieces, down to relatively simple t-shirts, but all of them intrinsically Diesel. *We expect people to adapt our clothes to their own identity*.”(Italics added).

Through the years the brand kept on being successful by translating this concept of shared individualism into contemporary terms. Nowadays there may not be much hope to improve our planet, or to live successfully in an existing one, so the only possibility to live a successful life is to escape on an Island and create a new world from scratch. Fortunately Diesel again gives us a means to achieve that: the Diesel Island.



Picture 2: S/S Campaign 2011

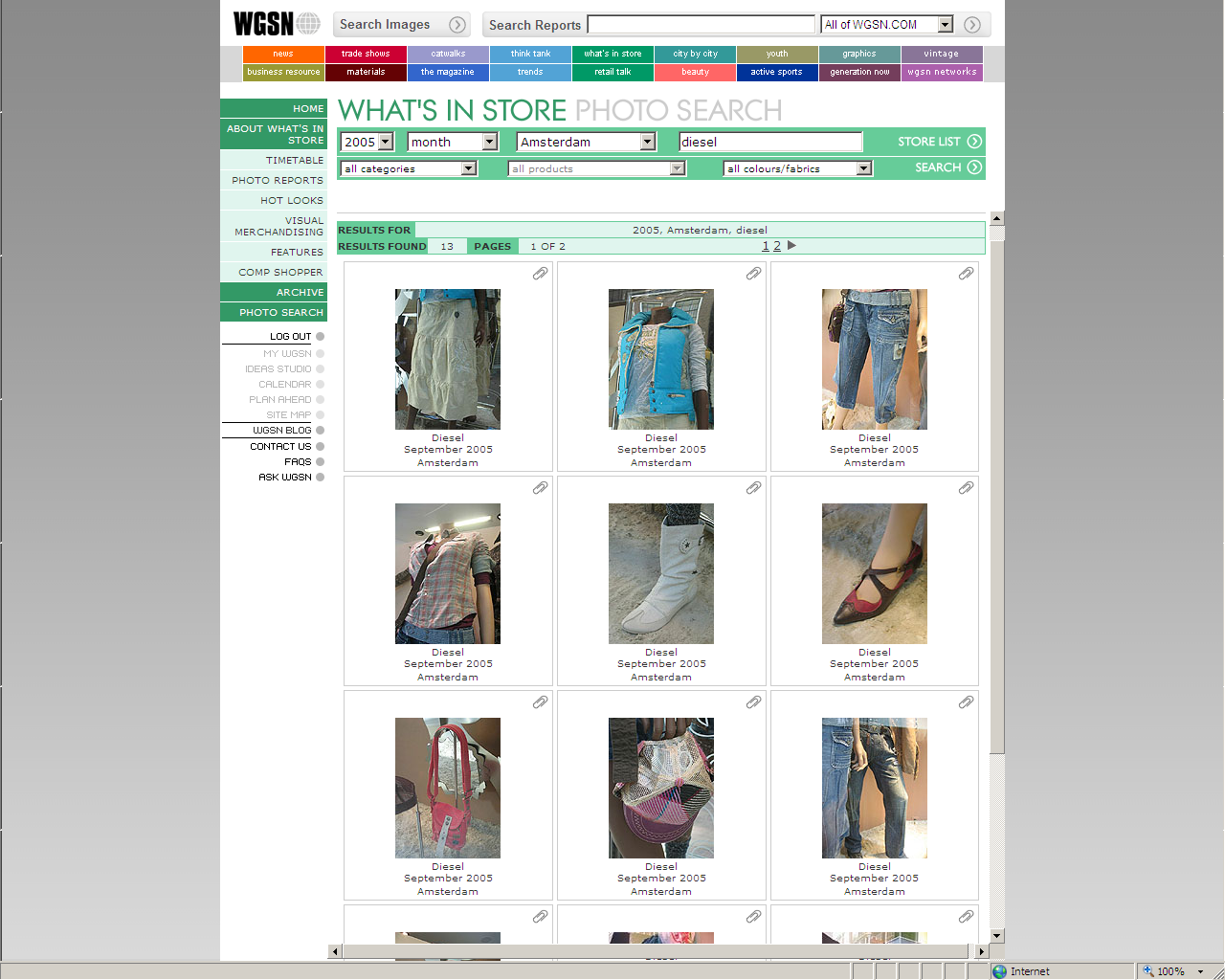
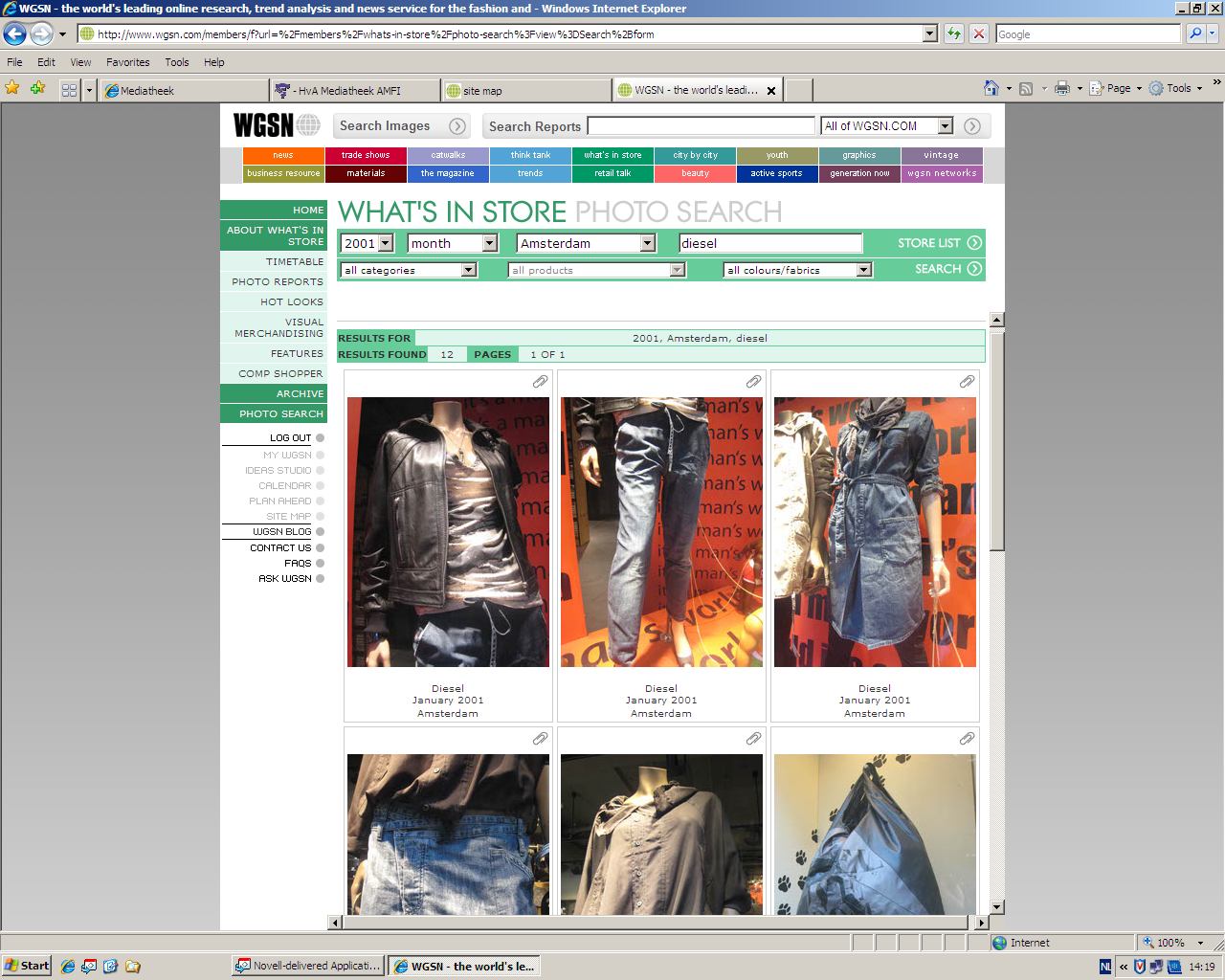
Of course Diesel is not the only socially engaged company producing and selling good quality denim and other products (under license, from glasses to watches, helmets and recently even cars, the new version of the Fiat Cinquecento), but it was arguably quite successful compared to other brands that thrived in the 80s. According to Renzo Rosso the brand only by now (2011) is mature enough to enter a new phase. The newly appointed (by may 2010) CEO Daniela Riccardi voices this claiming the brand is just naturally evolving, and that this new phase coincides with her appointment (and that of a new creative director). Interestingly she is coming from the fast moving consumer goods sector, which means that in the mind of the founder Diesel starts being more akin, say Procter & Gamble (the previous employer of the new CEO), where brand management is different than for an apparel-luxury company in terms of, for instance, exposure or customer loyalty. Strategically the new aim is to professionalise the company further, reconsolidating the brand as it intends to expand further in Asia (and to double revenues by 2015), expansion is also to be achieved by entering more product categories through cross-sector collaborations, like those with Fiat and Ducati[[9]](#footnote-9).Stylistically the new strategy involves becoming more ‘female’.

# Diesel: not so stupid after all

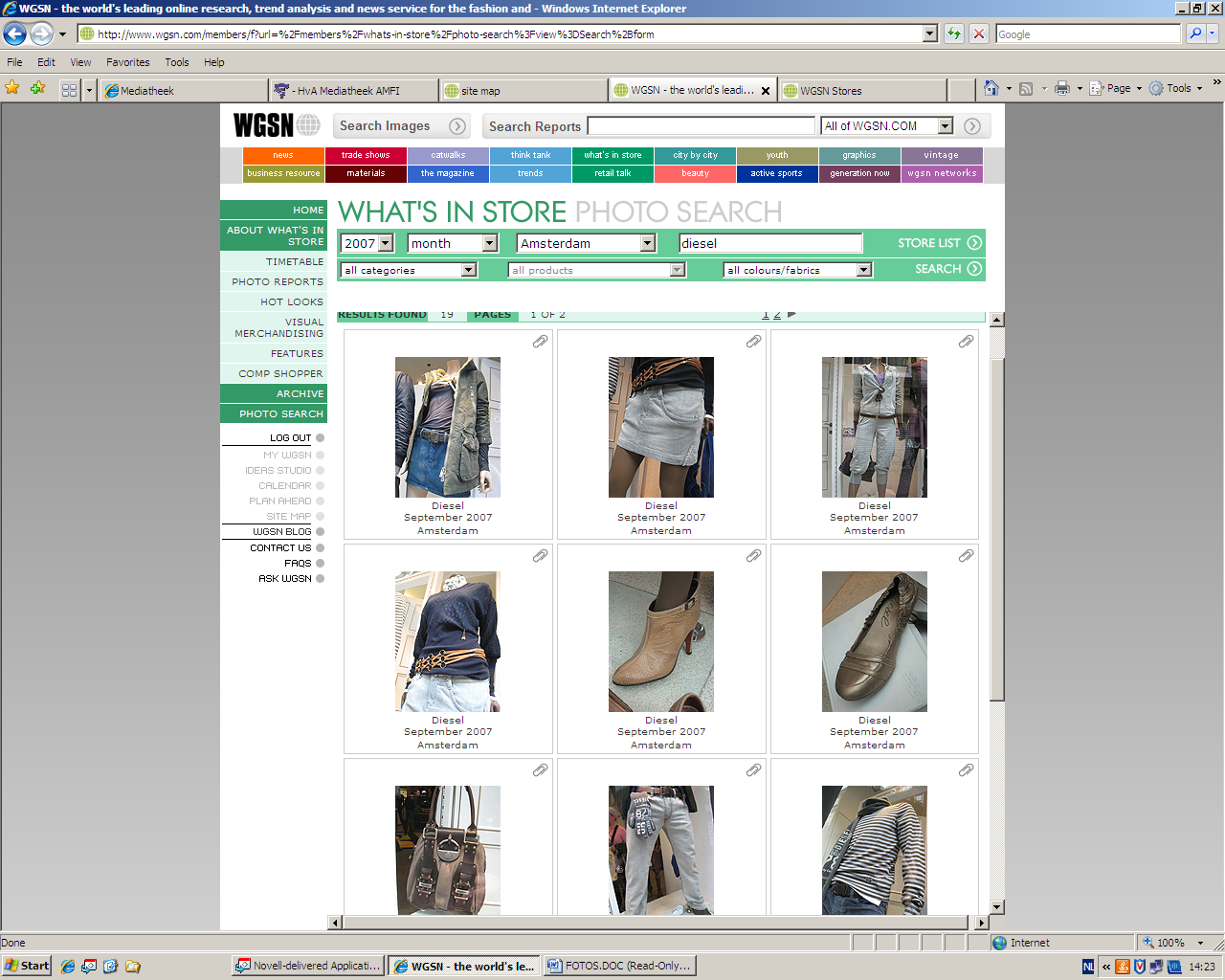
Monitoring the younger, ‘ hyperaware’ generation is important to re-infuse fresh blood in the brand when the perception is to be getting too far from the market’s main trends (see box 6-1 underneath). But is Diesel only about branding? What about product design?

Asking this to teachers and fashion knowledgeable people left me with a confirmation of the fact that the collections really do not differ that much through the years, innovation is mainly in new finishes for the denim, but the collection for instance always comprises a jacket and a scarf and translates masculine garments (all-overs or motorbike-like jackets) into feminine fits. If you want to judge yourself I have looked at what was presented in the stores in the fall in the years 2001, 2005, 2007 as well as the catwalk ‘pret-a-porter’ collection of 2011 (which was not available yet in the source database) and reproduced the pictures below (picture 5-4):

*2001- 2005*



*2007- 2011*



Picture 4-3: Collections fall 2001, 2005, 2007 and 2011. Source www.wgsn.org

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| --- |
| **Box 4-1: Diesel’s explorative trait**  Having full ownership of the brand since 1985, and hence managerial freedom, Renzo Rosso was able to experiment by hiring young designers from schools, and sending them around the world with an unlimited budget in order to develop what would mostly appeal to themselves. In a country like Italy were the culture is characterized by high levels of power distance and were age is the main indicator of skill (after family affiliation), this was quite controversial and contributed to creating an image of a company that is unusual, creative, ‘out of the box’ among the young-scene in Europe (Cillo and Lanza 2000: 181). Still this is an important argument for the founder of the company: in a recent interview (see footnote 14) commenting on the international character of the brand he attributes the success of the company, among others, to the yearly four trips designers are making around the world. |

Now imagine doing a ‘blind-test: have a general look at the pictures above, then randomly take out two pictures from each: could you tell from which year these are? Even if I showed the collections for both women and men, and just randomly took the first pictures that showed up on the website (and by doing so are not looking for differences), I do not see much innovation in terms of style and design, but maybe a through denim connoisseur will certainly find that differentiation in some details.

The style is quite recognizable through the years. That the brand is not very controversial in its design is also confirmed by a small search on the internet aimed at identifying Diesel fan groups, which showed us how discussions are always about price or technical issues, rather than stylistic one, exception made for comments on the advertisement themes, i.e. some moralistic discussion in the USA on the company’s advertisements of the 90’s, like a portrait of gay-marines. Diesel loyal clients maybe tend to choose what they recognize, which is safer, but like to think they are innovative. This last effect is not so much due to the innovativeness of Diesel’s values as such, but rather due to the social relevance of the theme introductions. As Miles Davis liked to say: It’s not so much which note you play but where you put it.

# Conclusion and implications

When Renzo Rosso, the founder of the company Diesel, started his career his was interested in creating better products, in terms of new finishes for the jeans. However one could question if a ripped-off pair of trousers is better that one which is not. Concerning Diesel I think we can conclude that company executives understood quite soon that, opposed to what Seth Godin suggests in his book Purple Cow, most money should be spent in branding and not in product innovation. The question is how much and when.

Being innovative in marketing does create the perception of an innovative brand. As that perception was established in the marketplace, collections became more predictable. One could further argue that consistency in product design is important for a brand that is worldwide. In the face of much variance in marketing, it is probably important that products be recognizable in space and time.

Concerning our points under section 3, I conclude the following:

* The brand acquired meanings that go beyond being a mere identifier of the products. So much so that the product range is being constantly extended to new product catagories. Meaning is acquired by leveraging, slightly anticipating upon arguments that are part of the extant social discourse.
* Consumers contributed to giving meaning to the brand: Diesel achieves this by ‘teasing’ consumers, i.e. allowing for consumer contributions but retaining control; for example by formulating carefully brand values, but with a ‘double edge’.

So if the quality discourse is initially created by investing in product development and style, once consumers are aware of that they contribute to the meaning of the brand by taking part of an imagined community created by the brand (like the Diesel Planet or Island, but not necessarily) that is based on the very quality discourse, this way making the quality of the product less important for the perception of the brand. A typical example of a feedback-loop.

In businesses characterised by high levels of symbolic interaction, and where differentiation is possible only on the basis of stylistic elements, understanding how much money to divert from product innovation to brand-building is thus a subject that should deserve more attention. So far I can suggest practitioners that monitoring the perception of the brand is in this respect very important, since that performance indicator can e.g. be linked to new product development budgeting.

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* From visual identity to corporate branding to brand values
* The raise of anthropomorphic metaphors in branding & the of the importance of ‘meaning’
* And the product? (product as a marketing tool, service-dominant logic, consumer as pro-summer).
* Hypotheses:

As companies grow larger so does the role of the brand in the fashion-company’s value proposition.

1. Even if, as Henry Ford allegedly noticed: “I know I threw away half my marketing money but I do not know which half”. [↑](#footnote-ref-1)
2. People get used to a purple cow quite soon, so [↑](#footnote-ref-2)
3. Until the environment, or the zeitgeist, asks for new interpretations, and sales start declining… [↑](#footnote-ref-3)
4. <http://www.klamer.nl/articles/culture/art.php> December 2011 [↑](#footnote-ref-4)
5. MICRO & MACRO MARKETING / a. IX, n. 1, aprile 2000 [↑](#footnote-ref-5)
6. Brand values from the Diesel Benelux corporate presentation and interviews. [↑](#footnote-ref-6)
7. The concept of ‘industrial district’ and its spin-off advantages has been theorized by Alfred Marshall already in the beginning of the 20th century, see [*Principles of Economics*](http://www.econlib.org/library/Marshall/marP.html), by Alfred Marshall 1920, London: Macmillan and Co. [↑](#footnote-ref-7)
8. <http://www.wallpaper.com/fashion/diesels-30th-birthday/2729> (July 2011) [↑](#footnote-ref-8)
9. *Frau Am Steuer*, Textielwirtschaft 8\_2011 p. 22-25 [↑](#footnote-ref-9)