

The Social Value of Brands.



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At Leading Brands of Spain we regularly underline the role of brands as a key factor of competitiveness and lasting differentiation for companies and therefore their importance both for Spain's economy and its international reputation. But perhaps we should emphasize their social role more. Not only as part of a culture and an identity, and thus of an intangible common heritage, nor only for their capacity to generate growth, employment and well-being, but because they build trust for their customers and play an important role during great social transformations.

Societies evolve, and brands evolve with them. If not, there would be no centennial brands. Consumer habits change, citizens' interests and concerns change, and so the demands on brands. Other than quality or price, today's customers demand transparency, sustainability, commitment, customization and, especially in the context of a pandemic, security. All this means, trust. And it is in this complex context where the legislator enters.

Normally, the need to legislate follows social and technological transformations, and thus needs to be adapted to them (often in less agile way). The legislation obviously has to be adjusted to new realities and new demands, but it must do so hand in hand with brands, understanding their concerns and their needs and enabling them to assume this transformative leadership. Self-control and self-regulation mechanisms, for example in commercial communication, have proven to be very effective. And, if we want to create a regulatory framework for a public-private collaboration or a brand-consumer co-creation, we also should involve the most prominent brands in every business sector in this process. Brands that are perfectly aware of the challenges and transformations they face and that their leadership today is not only measured by their market share, but also by being able to take the lead ahead of social transformations.

Citizens, public authorities and brands form a trinomial in which each of the parties needs each other, and therefore has to listen to each other. Efforts against buying counterfeit products, for example, are a good model of that shared interest and effort.

It is critical for the brands today to be agile and flexible, and those that are present at the international level have more experience to manage complex operations in different markets with different laws and regulations. At the same time, in order to operate successfully at a global level, brands first have to be competitive in their local markets and for that it is essential to preserve the concept of the single market (homogenizing regulation at the European level), yet at the same time, new regulation shouldn't create competitive disadvantage for them globally.

