

[The Value of Brands](#) [1]

Written by [Tim Worstall](#) [2] | Sunday 11 May 2008



Here in the modern world we have the likes of Naomi Klein telling us that brands are simply tools of mind control, the way in which the eevil multi-nationals brainwash us into buying their over-priced products. And of course the difference between one sugar water advertised with the aid of orthodontically corrected youths playing sport and another with orthodontically corrected youths wishing to teach us to sing is indeed pretty small. But that's not where brands came from in the first place and not why they have value, as [this paper](#) [3] shows.

In medieval Europe, manufacturers sold durable goods to anonymous consumers in distant markets, this essay argues, by making products with conspicuous characteristics. Examples of these unique, observable traits included cloth of distinctive colors, fabric with unmistakable weaves, and pewter that resonated at a particular pitch. These attributes identified merchandise because consumers could observe them readily, but counterfeiters could copy them only at great cost, if at all. Conspicuous characteristics fulfilled many of the functions that patents, trademarks, and brand names do today. The words that referred to products with conspicuous characteristics served as brand names in the Middle Ages.

Brands were the market of quality, the mark of the Real Thing (umm, sorry, sugar water again). And as such they acted as a very powerful incentive for producers to regulate the quality of the goods they were selling. In a distant market, after goods had passed through many hands, it was that brand alone which allowed premium prices to be charged: a price that consumers were obviously happy to pay given the assurance of quality that they were getting.

There's no difference between this and the brand of tomato soup, baked beans or of sports shoes that you or others covet today. It's a guarantee of quality: for once that link between the brand and quality is broken it's very difficult to restore, thus great effort is expended in keeping it.

There is of course an amusement to be had from the way in which the book decrying all of this, [No Logo](#) [4], turned Ms. Klein into a brand herself. If only she had paid more attention to the point and value of such brands, she might have avoided [the degrading](#) [5] of her own.

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