ABSTRACT:

The case of the drinks company Campari allows detailed analysis and greater understanding of the role of branding in the success of a business, and it also demonstrates how its success was the result of the interaction between producer and consumer. The importance of the commercial network is also highlighted, in particular its ability to perform the delicate but essential task of acting as an interface between the producer and the market. The original and innovative advertising promoted by Davide Campri played a major role in the creation of this interface. The case also demonstrates that trademark legislation did not always yield the results the company hoped for. Only robust defense of the market through a variety of means managed to overcome legislative limitations and allowed the company to consolidate the success it had achieved.

Consumption, taken as a central characteristic of an affluent society as well as an indicator of economic development, has recently attracted growing historiographic interest. In this context, business history has shown an increasing interest in the influence exerted by consumers in determining production choices. Moreover, numerous studies have underlined how the expansion of markets and the progressive successful implementation of high intensity production technologies have accentuated the gap between producer and consumer, overcoming which entailed the adoption of innovative forms of communication capable of restoring ties of trust between the producer and the client. Through this process, the rise of distinctive brands became one of the principal success factors for businesses.¹

However, there are different historiographical interpretations regarding the origins and the functions of brands. Some of these attribute major relevance to the role played by brands in favouring the standardisation of production as a necessary condition for the adoption of production systems aiming to reduce production costs. Others, instead, insist on their function as a market regulator since brands acted as a guarantee for the consumer of the quality of the product and therefore contributed to reducing the cost of making the product known and trusted. While not being necessarily contradictory,

these interpretations run the risk of underestimating the extent to which the brand was the result of an overall business strategy of the company and of its interaction with the market, the result of which is the affirmation of a «culture founded on new technologies and structured by new personal habits and new economic forms».

Understanding the brand as the outcome of a reciprocal relationship between supply and demand, where the exchange of information determines the outcome, is a more convincing argument. Such an outcome of necessity implies a close interaction between the producer and the consumer, from publicising the brand up to and including the forms of distribution of the product. The Campari case study examined here offers the opportunity to explore such an interpretation in detail, all the more so since it deals with a success story in an economy which is usually defined as being only at the onset of its industrialisation. It allows us to better understand the way in which a brand name achieved full international fame in the period stretching from the 1860s to the 1930s.

Starting with a consideration of the company’s foundation, we will trace the steps that marked the development of Campari as both firm and brand. This objective was reached through the combination of a coherent choice of production investments, the adoption of an innovative commercial policy founded on the establishment of the brand and the use of publicity. This allowed Campari to reach a notable company growth which was, however, accompanied by a correlated «downside»: the counterfeiting of Campari products. Finally, we will dedicate some time to consider the quantities of beverages produced and sold during the period that marked the definitive consolidation of the company, also at international level.

The origins: Gaspare Campari

Born in 1838, Gaspare Campari, the founder of the company, learned the art of distilling spirits in the cafés in Turin, a city recognised as being «the avant-garde of the drinking culture», the ideal city for Gaspare’s professional training. The apprenticeship allowed Gaspare to take part in a highly dynamic environment where social consumption
was a highly sophisticated and quite renowned phenomenon, to the point where it favoured the emergence of new rites, like drinking the aperitif. Turin was a particularly appropriate place to «understand what rapid social and economic change meant for consumers’ needs and wants», and this would also become one of the salient characteristics of the company in the years that followed. Moreover, Turin was the city where other companies like Cinzano and Carpano were also set up, which, thanks to innovative products such as vermouth, contributed to transform oenology in Italy. Once Gaspare Campari had completed his apprenticeship, and after a few intermediate halts, he settled in Milan where he opened one of the most appreciated city cafés.

In the numerous, orderly notebooks meticulously compiled by Gaspare Campari, he noted the working procedures for raw materials (above all herbs, fruits, etc.) used in the production of the drinks. These scrupulous production methods allowed Campari to achieve a high level of success in the Milanese liqueur market which was characterised by the presence of a myriad of small craftsmen producers. This leadership was obtained through a widening range of products to be served to the clientele, a choice which was in complete harmony with Gaspare Campari’s profession of artisan liqueur maker. In the list of «liqueurs made or imported and sold by Gaspare Campari and his sons» there are 127 «different creams and liqueurs», 16 «bitters», seven «special preparations», nine «punches» and nine «vermouths».

In the meantime, the economic growth of Milan brought to the expansion of the middle class, eager to increase its consumptions, thus opening up an opportunity for the more perceptive producers to intercept these latent needs. Initially, this enabled them to make a name for themselves at local level and then to reach beyond national borders, to overcome limited internal demand. The distinctive trait of the new products compared to their international competitors lay in their «limited standardisation».

The changes described above are confirmed by the increase per head in alcohol consumption registered in the second half of the century in the Milanese market and by the simultaneous expansion of «commercial firms» specialising in the sale of alcohol.

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11 Ricette annotazioni varie di Gaspare e Davide Campari, in: *Campari Archives* [hereafter CA].
12 Davide Campari, Note, in: CA.
16 The category of firms comprises: «cafés, restaurants, beer cellars, wine, liquors, kiosks, eating houses, hostelries and hotels» these increase from 868 in 1859 to 4,368 in 1915: *Esercenti in Milano dal 1859 al 1915*, in: *Città di Milano, a. 31* (December 1915), 658.
However, around the early 1860s, most probably in 1862, a decisive innovative shift took place with the advent of the «Holland bitters» that became the main Campari product. In this case too, the attribution of virtues that helped the stomach is significant, in addition to the discrete fascination of things from abroad, recalling the «Dutch style» of the bitters. It is noteworthy that there was no reference to specific modes of consumption, except that of a generic note that claimed that Bitter responded «to the taste of the public», which was proved by attempts to «imitate it» by «all the liquor makers». It is therefore useful to pause here and analyse how this liquor came to have a specific formula, seen as the result of a truly interactive creation which arose between the consumer and the producer.

The location of Campari’s business premises, in Galleria Vittorio Emanuele, the city’s most famous central arcade, inaugurated in September 1867, also helped to further increase the company’s fame. The fortunate combination of the well appreciated qualities of the product and the location of its sales point allowed Campari to distinguish itself from the competition, a distinction pursued through the enhancement of the product rather than by an «involvement in the race to lower prices». Campari’s premises succeeded in becoming the preferred venue for the consumption of spirits for the city’s elite, a place where the most influential personalities of the time met to deal with the daily round of whatever their commitments might be, from business meetings to more worldly and sophisticated appointments. Social and economic changes thus became intertwined with the development of the company, whose progress was also determined by events within the family itself, marked by the premature death – in 1882 – of the head of the dynasty, Gaspare, a loss which required a change at the helm in the running of the firm.

The transition: from father to sons through the hands of the mother

After a first childless marriage, Gaspare Campari remarried in 1860 taking Letizia Galli as his wife, with whom he had five children. In 1882, Letizia took over the company management looking after the workshop where they made the liquors and the sales area in a room above it. The experience she had accumulated, and her knowledge of the «secret recipes», enabled her to carry out the duties previously managed by her husband with authority, and this was recognised formally on 30 November 1888 when the denomination of the company was changed to «G. Campari – Fratelli Campari e Successori Milano», indicating it now belonged to the widow and heirs. She continued to be actively involved until the beginning of the 90s, when her sons Davide and Guido were able to take over the company management. Her main contribution was to have in-
increased the family assets\textsuperscript{22} and to have maintained the original organisation as an artisan shop, managing to preserve the «identity between the family and the economic activity»\textsuperscript{23}.

Letizia took some decisions which would become of vital importance for the future of her sons Davide and Guido. While it is impossible here to discuss the biography of the heirs in detail, some general indications will allow us to appreciate their impact on the future of the business. We may begin with their stay in Switzerland, in the early 1880s, where both brothers were sent to «learn languages»\textsuperscript{24}. After that, they continued their training. In particular, at the age of 15, Davide was sent to Bordeaux, the capital of the European wine market, to complete his training.\textsuperscript{25}

It was precisely in this same period that an important international exhibition regarding the whole of the international liqueur market was held in Bordeaux, which gives further information about the situation of the Italian producers. In the section dedicated to liqueurs there were 305 exhibitors who came for the most part from «France and Algeria» (172), with Italy in third place, represented by 27 exhibitors. The observer sent by the Italian Ministry for the Economy noted how a transformation of the sector towards «the level of a true industry» was taking place, with the establishment of specialities recognised at international level. It was, however, a sector where single producers still struggled to establish themselves and artisan liquor production still prevailed, especially in the case of Italy, as shown by the list of «70 different samples» more or less evocative, at least in their names, of «foreign […] elixirs».\textsuperscript{26} The high number of producers confirmed the sector’s fragmentation and the prevalence of the local dimension. By making an international comparison, Davide Campari understood the emerging needs of consumers, as well as the advantages deriving from the transformation of a family business into an industrial company.\textsuperscript{27} This solution enabled him to react to the increased level of competition which followed the improvement of the area around the gallery in Milan, with the opening of new cafés and restaurants such as Biffi or Savini, thus lessening Campari’s leadership. These competitors pushed Campari to choose which commercial objectives to pursue: whether to continue as an artisanal liquor maker, or to opt decisively for the path of industrial production.

The first important sign of change came with the participation in the Exposiciòn Universal in Barcelona in 1888\textsuperscript{28}; a change which involved a switch the core business of the company from selling drinks directly to the final consumer to being a producer of spirits to be sold on a much wider market than went beyond the local. This change became concrete in 1890 with the production of Campari Cordial, invented by Davide

\textsuperscript{24} Guido Vergani, Trent’anni e un secolo di casa Campari. I. Le origini, l’impresa, il successo, Milan 1990, 97.
\textsuperscript{25} Ibid., L’arte imprenditoriale di Davide Campari, Milan 1968, 13.
\textsuperscript{27} «Davide Campari […] fit well in the Shum- petarian model, adapted of course to Italian dimension», Franco Amatori, Entrepreneurial Typologies in the History of Industrial Italy 1880-1960: A Review Article, in: Business History Review 3 (1980), 359-386.
\textsuperscript{28} Exposicion Universal De Barcelona. Medalla de Bronce, 9 December 1888, in: CA.
Campari and destined to compete with the French liqueur made by Grande Chartreuse.\textsuperscript{29} Cordial was a liqueur obtained directly through the «most rational and modern application of the French factory system», an approach learnt by Davide Campari during his training in Bordeaux.\textsuperscript{30} This marked a distinct departure from the «homemade» style towards a more industrial approach, which in turn involved evolving from a retailer brand to a producer brand.

Even if only slowly, Campari adopted the policy of gradually concentrating on the two leading products, Bitter and Cordial, destined to be sold outside the restricted city limits. In this new scenario, even Campari’s café changed its role and was no longer the main outlet of the company’s production but rather the privileged spot in which clients’ preferences might be known, as well as being a fashionable haunt to further the fame of the firm, as portrayed in a famous painting in Futurism style.\textsuperscript{31}

This mutation of the nature of the business required a long transition time during which two aspects of the company, traditional craft production of liqueurs and more modern industrial production of alcoholic beverages ran side by side.\textsuperscript{32} The transition was imposed by Davide Campari, who after the exclusion of his brother Guido became the sole manager of the company, which was transformed into a general partnership in 1910.\textsuperscript{33} This was a choice that anticipated the decisions later made by other Milanese liquor producers, like Fernet Branca, Ramazzotti or Ferro China Bisleri,\textsuperscript{34} who chose to brand their specialities in the same period, becoming national market leaders.\textsuperscript{35} The change was highly visible in the Milanese market which was representative of the way the entire sector was moving at national level. In the crucial period during the 1880s and 90s, there was an initial contraction in the number of producers, from 13 to ten, while there was an increase in the «tradesmen» from 30 to 49, a process accompanied by the expansion in the number of places – bars, hostels, private clubs, etc. – dedicated to the sale of alcohol.\textsuperscript{36}

The evolution of Campari was analogous to that of other brands in the Italian food industry like Buitoni with pasta, Perugina with chocolate, and Martini & Rossi, and Cinzano with alcoholic drinks. These are brands that acquired special international visibility, becoming the pioneers of «made in Italy».\textsuperscript{37}

\textsuperscript{29} Ernesto Trevisani, \textit{Rivista industriale e commerciale di Milano e provinciale}, Milano 1894, 249.
\textsuperscript{30} Vergani, \textit{Trent'anni e un secolo di casa Campari} (cf. n. 24), 97.
\textsuperscript{31} The painting is «Rissa in Galleria» by Umberto Boccioni, 1911 [Pinacoteca di Brera, Milan].
\textsuperscript{32} «[...] most successful brands are old [...] as it takes a long time to build their personality», Teresa da Silva Lopes/Mark Casson, \textit{Entrepreneurship and the Development of Global Brands}, in: Business History Review 4 (2007), 679.
\textsuperscript{33} Costituzione di società in nome collettivo Ditta Davide Campari & C. Milan, in: Camera di Commercio di Milano Archivio [hereafter CdCA], c. 247,559, vol. I.
\textsuperscript{34} «Branca, Biserli e Campari, these are the three names that gave Fernet, Ferro-china, Bitter and Campari Cordial a fame that other nations envy us», Ernesto Trevisani, \textit{Rivista industriale e commerciale di Milano e provinciale}, Milan 1894, 249. On the use of brands in Italy in the last decades of the 20th century see \textit{I marchi di fabbrica a Milano. 1868-1913. Arte, industria e diritto}, Milan 1993.
\textsuperscript{35} Gabrieli Benvenisti/Luigi Filippo Bolaffio/Antonio Gramola, \textit{Annuario dell’industria e degli industriali di Milano}, Milan 1890, 68-71, 234-235.
\textsuperscript{36} Data refer respectively to 1885 and 1895, \textit{Guida di Milano}, Milano, Savallo [missing date and place of publication] years as indicated.
The new industrial headquarters: Sesto San Giovanni

The change in perspective of Campari, however, was anchored in two key developments: the construction of a bespoke production centre and the creative management of marketing. The two factors were closely linked to one another, and were both cause and effect of the change in perspective, and indeed of one another. Nonetheless, it is useful here to deal with them separately in order to better comprehend all the innovative aspects.

At the beginning of the 1900s, Davide Campari decided to move the company to Sesto San Giovanni, a small town just outside Milan, and the new seat of the company was inaugurated in 1904. Its industrial character was keenly celebrated in the pamphlet written for the presentation of the new plant, where the search for an optimum combination between the quality of the product and the use of «the most powerful and perfect means of production» was underlined. There was a scrupulous division of the production phases, from the distillation of the alcohol to the final bottling and packaging of what were by then the principal products of the company, Bitter and Cordial. The design of the plant demonstrated a division of space and labour inspired by a precise and functional rationale, with the areas to be «used as cellars» underground, followed by the area destined to the boilers and the production of power, and on the «ground floor […] a vast hall where to work on the product». Finally, the upper floors held the «stock houses» for the bottled product, the laboratories for chemical analysis and some areas used as administration offices or as dwellings. There was, therefore, a sort of spiral which started from the bottom and passed through all the production phases, ending with the packaging of the finished product, ready for delivery. Specific machines were adopted to be used in the packaging of the bottles, starting with the crucial phase of «corking», an operation that ensured further guarantees of the genuine character of the product and lessened the chance of adulterating it. This was a crucial objective in the changes brought about by Davide Campari, as it made it possible to safeguard the quality of the product, a primary condition for sustaining the brand name.


38 There was another workshop in via Corsico that was active for a brief period before that in via Galilei. The date of the move is not certain, Mario Ferrigni, La pubblicità di una grande casa italiana, Milan 1937, 10.
40 Campari started to perfect its bottling system beginning in the early 1900s, anticipating what other producers later tried to patent, without success, in: CA, Comparsa conclusionale.
Stages in building a brand: from Dutch-style Bitter to Campari

The success of Campari thus came to depend on its products being immediately recognisable. This was an objective which could be reached only through the elaboration of distinctive images, known and appreciated by the clientele. Therefore, it was fundamental for the firm to construct these symbols adequately, a result eventually achieved through successive refinements of the brand label. Gaspare Campari, the founder, began to label his numerous liqueurs under the simple indication of his own name, to which other imported labels, especially from France, were added, while the quality of the whole range was guaranteed by his signature.

The first significant change came in 1888 when the brand logo formed by a «shield with the figure of two couching hounds and surmounted by a helm», to which the phrase «G. Campari – Fratelli Campari e Successori Milano» had been added, which was soon registered as the firm’s legal trademark. The gradual elaboration of the trademark continued in the following years until April 1898, when it was registered at the Bureau International de la Propriété Industrielle. There is a notable difference by this later date from the image of 1888: the brand name now exalted the product, while the name of the company lost its previous primacy. The image, too, is different from those generally used by other Italian brands, where an excessive superimposition of elements persists, to the point where the clear identification of the product is difficult.

International registration of the trademark had become necessary following the success of Bitter, especially in Latin America, and in particular urban areas where there was a major concentration of communities of Italian emigrants, for example in Buenos Aires. Campari had the foresight to stipulate sales agreements with local dealers and distributors. Similar exclusive contracts where signed in the USA, while a network of importers was extending from Canada to Brazil, with significant districts developing in Mexico, Chile and Uruguay. The policy of following the flow of national emigration yielded optimum results, to the point that it even generated forms of unfair competition and led dealers and distributors to ask Campari to undertake legal actions to safeguard the brand. Registration of the trademark was therefore indispensable if legal actions were to be undertaken to defend the unique status of Campari products.

It was in this context that «Fratelli Campari» applied to the United States Patent office in February 1906 for recognition of their «trade-marks […] Bitter» and «Cordial». The reference to Campari was essential to maintain the bond between the maker and

41 Regno d’Italia Ministero di Agricoltura Industria e Commercio, 26 March 1888, in: CA.
42 Paul Duguid/Teresa Da Silva Lopes/John Mercer, Reading Registration: An Overview of 100 Years of Trademark Registration in France, the United Kingdom, and the United States, in: da Silva Lopes/P. Duguid (eds.), Trademarks (cf. n. 3).
45 Registration No. 63.590 e No. 63.491, in: CA.
the consumer as a guarantee of the unique character and the very distinct quality of the product compared to that offered by the competition, and pursuit of this objective led to the final modification of the brand to be registered and certified at international level. October 1912 saw the registration of an almost definitive «label» which was to mark Campari products in the successive decades.46

In this configuration from 1912, all the elements were present in their final form: the name of the product – Bitter; the symbol of the producer; the two superimposed dogs; and the double name. Here, the most significant modification lay in the use of bold lettering of notable dimensions for the word CAMPARI. In the new form, a reference was made to both the producer and the product aimed at establishing a clear symbiosis between the drink and its original inventor, to make them almost interchangeable terms: Bitter meant Campari, Campari meant Bitter.

46 Demande et certificat d’enregistrement International d’une marque, Berne, le 18 novembre 1912, in: CA.
The creation of distinctive capabilities: advertising and the commercial network

The first advertising needs arose from the company’s participation in the exhibitions, and bottle labels became the fundamental creative and distinctive sign, followed in January 1889 by the earliest advertising inserts in one of the major newspapers of the time. The content of the advertising texts revealed, however, the still uncertain identity of the drinks being publicised since they exalted their «health-giving properties». It was the consumers themselves who intervened to correct this way of promoting the product. There are in fact some traces of this relationship in the correspondence sent by famous figures of the time that witnessed the preference given to Campari’s drinks. For example, in an 1894 letter, Minister Giuseppe Zanardelli wrote to explain how «Bitter [...] is my daily preparation for lunch» and this inversion of roles, from a digestive drink to aperitif, found immediate expression in the publicity campaigns which followed. The importance of this interaction with the market is also found in other significant experiences such as that of Fernet Branca, which started out as an anti-choleric bitter and then turned into an aperitif. This important interaction continued in the years that followed, with letters sent by personalities from the world of entertainment and art. In these letters, the writers both underlined the mode of consumption «Bitter before meals and Cordial afterwards», and the extent to which the products were diffused in the world. The complementary nature of the two liqueurs enabled to better focus the advertising campaigns, projected more towards the promotion of the company brand as a whole as opposed to that of individual products.

47 Corriere della Sera (10-11 January 1889).
50 Album degli artisti, in: CA.
The result can be seen well in the evolution of the advertising. The first wall adverts, dating from between 1894 and 1895, were immediately noted for the originality of the art work, and had been commissioned from young, promising artists. For his advertising campaigns, Davide Campari chose two famous Italian lithographers, Giulio Ricordi in Milan and Chappius in Bologna, and engaged promising artists to design the posters, among them Hohenstein, Metlicovitz, Magrini, Dudovich and many others. The completely original use of artists and/or of avant-garde art forms, from Futurism to Abstract art, became over time one of the distinctive traits of the company’s communication strategy, recognised also at international level through the exhibition of its advertising works at the MOMA (Museum of Modern Art) in New York.

Campari’s advertising established itself as original and distinctive, thanks to masterful use of innovative lithographic techniques, and it was published in periodicals or on bill-
boards in general, hanging in every place of public interest. It was an impact obtained in the wake of what had already been achieved by pioneers such as his competitors Branca and Bisleri, even though Davide Campari was able to add his personal sensibility to the use of artistic movements such as Futurism, particularly appropriate for the construction of an image of modernity attributed to his products.\footnote{For evidence, see Fortunato Depero, \textit{Numero unico futurista Campari} 1931, Milan 1931; «The Campari family were among the first to understand what advantages might be derived from genial artistic concepts», James Bennet, \textit{L’Arte della Rèclame}, Turin 1907.} At the same time, the advertising also managed to keep his own commercial aims in the foreground, such as, for example, educating the consumer in the correct way of drinking Bitter Campari.

What emerges from an analysis of the company advertising campaigns is the increasingly central position held by the name of the firm. This marked a choice which antici-

\begin{figure}[h]
\centering
\includegraphics[width=0.5\textwidth]{advertising_poster_1898.png}
\caption{Advertising poster – 1898}
\end{figure}
pated what other Italian producers of alcoholic beverages would adopt later, showing how the close linkage between product and brand was necessary for commercial success, especially on the international market.\footnote{For example, Martini & Rossi introduced the name Martini above the label in advertising posters after 1910 and did so definitively only after 1923, in: Martini & Rossi History Ar-}

\begin{figure}[h]
\centering
\includegraphics[width=0.5\textwidth]{figure6.png}
\caption{Advertising poster – 1901}
\end{figure}

\footnotetext{For example, Martini & Rossi introduced the name Martini above the label in advertising posters after 1910 and did so definitively only after 1923, in: Martini & Rossi History Ar-}
who noted how this link achieved notable commercial success, so much so that they were induced to adopt the same solution in order to be able to compete adequately with the increasing fame of Campari.55

What immediately emerged from the «name campaign» was the central role attributed to the company brand. This choice was in line with the registration of the brand itself. In parallel to the selection of the products to be advertised, at that time concentrated only on Campari Bitter and Cordial, the promotion of the company’s own name was also in evidence. The connection of the brand to the two drinks underwent a decisive acceleration in the period of the First World War, when «due to the lack of raw materials […] the making of syrups, preserves and sweetened cream liquors» was suspended.56
The «industrial» choice is here well illustrated thanks to the marked underlining of the product advertised – Bitter Campari – flanked with equal emphasis by the name of the maker.

As before, here too some elements took precedence. The first posters which appeared at the turn of the century gave equal weight to the product advertised and the name of the producer, however over time it was the latter which prevailed, although the change was gradual since it was necessary first to reinforce the link between the specific liquor and the producer. When this link became solid enough for the consumer to consider the names as synonyms, so that whether Bitter or Cordial, it was still Campari, and the latter term became central in the advertising.

An end point was reached with the indication of the brand name only, without any reference to the product being advertised. Such adaptation was often influenced by the market, where there was an ever greater impact of the advertising that linked consumption of the drink to the most disparate social moments – such as sporting events – or to various high-society social rounds (dance, theatre, and music). Advertising also made the products more «appetising» by placing them side by side with the new symbols of the «belle époque», i.e. automobiles, bicycles, aeroplanes, etc.

Figure 8: Advertising poster – the 1920s
The costs of success: counterfeit products and unfair competition

At the beginning of the 20th century, the most dangerous counterfeit products for the firm came from small distilleries in Italy that added «labels» which were exceedingly similar to those of Campari, which had traditionally only been sold on limited markets.\textsuperscript{57} Since legal action was quite expensive and slow, to counteract such forms of unfair competition Campari decided to carefully monitor selected territories to allow adequate action to safeguard the original «real» brand. The speed and thoroughness with which Campari was able to set up its own sales representatives dotted around the main Italian towns enabled them to identify imitations promptly, and in some cases to convince the counterfeiters to become official Campari distributors.\textsuperscript{58} The network was first entrusted to independent «representatives and commercial agents», although these were later replaced with local warehouses used for direct distribution of the products.\textsuperscript{59}

Even though the need to control the entire distribution chain was also recognised by other producers, as in the case of Fernet Branca, Campari understood this particularly well. This choice, combined with the opening of a new production plant, revealed Davide Campari’s entrepreneurial abilities in pursuing a coherent strategy concerning both investments in production and in the construction of a sales network efficiently coordinated by a company management that involved just few trusted collaborators and was strictly under his control.\textsuperscript{60} The widespread advertising campaign carried out on the national market confirmed how necessary it was to establish one’s own brand to oppose insidious forms of unfair competition. However, even if the product’s fame and the extensive sales network were able to oppose Campari’s counterfeiting within the Italian market, imitations of the product abroad appeared in a much more insidious fashion.

Beyond the national borders the principal line of defence was by means of legislation on the protection of registered trademarks. France and Switzerland were the hardest hit areas and served as training fields where the most effective forms of combating counterfeiters were tried out. In Switzerland, Campari’s presence dated from 1897. Two years later Giovanni Brusa, the owner of a café in Lugano, became the sales representative for the whole of Switzerland. The success obtained led to the creation of a first warehouse

\textsuperscript{57} There were various cases ranging from «obvious imitation [...] of the labels» to «using bottles that imitated the typical shape of the bottles for Cordial Campari», Atto di diffida. Milano, questo giorno 29 gennaio 1921, in: CA.

\textsuperscript{58} For example, some small producers were induced to cease imitating the firm’s brand with threats to discontinue deliveries of Campari, Ditta Angelo Colombo. Cardano al Campo 28 dicembre 1928, in: CA; Ditta Osvaldo Colombo Salsomaggiore. 25 luglio 1927, in: CA.

\textsuperscript{59} In the early 20s, Campari had twelve representatives that covered the cities of Rome, Naples, Venice and Trieste, in: CdCA, c. 33.031.01, Denuncia di esercizio delle società legali. Davide Campari &C. 5 giugno 1925.

\textsuperscript{60} When Davide Campari died in 1936, the company management was made of two general proxies, a technical manager, a chief accountant, two factory managers, an advertising manager as well as a large number of sales agents covering the areas into which the national territory was divided, Vergani, Trent’anni e un secolo di Casa Campari. II (cf. n. 24).
in Lugano in 1903 and then in 1921 to the decision to build a branch for direct production for to the Swiss market. A similar procedure was carried out in France where a first warehouse was built in Nice (1903) and then transferred to Bercy, near Paris, in 1915; finally, a plant was opened in Nanterre in 1930.61 Both branches were «independent industrial and commercial units», personally owned by Davide Campari.

The direct management of the distribution network allowed the company to obtain valuable information directly from consumers, permitting a rapid response even with regard to the quality of the product itself, adapting it to local needs. In fact, to better meet the tastes of the clientele, Campari experimented with variants of its products on the various markets, as for example with Sample 25 – a more alcoholic Bitter intended for the German-speaking areas in Switzerland – where the public preferred stronger spirits. In the same period, the Paris branch tried out a «Campari with new alcohol content» whose improvement was «based above all on the judgement of the clients».62 The inspectors’ reports contained further valuable information on competitors, such as price variations of the beverages and how to act to block the effects of these variations on the consumption of Campari products.

Much feared counterfeits also cut into sales, and Campari had to fight this unfair competition assiduously. Due to international tensions and the First World War, the times were «so out of synch» that there were consequent difficulties in obtaining «supplies for the factory in Lugano» from the Swiss market, so there was a spread of «small firms making products similar to Campari, or imitations that were brazenly sold under the name of Campari Bitter».63 To combat counterfeiting, Campari set up a legal office in 1920 which in a short space of time had «one hundred and four contraventions declared in the area of Geneva alone», followed by over «62 trials and ensuing guilty verdicts».64 Beyond the data itself, it is interesting to analyse some of these cases in order to better understand both the risks that derived from such counterfeiting actions and the commercial policy adopted by Campari in order to avoid their repetition.

The first documented episodes of counterfeiting date back to the years following the World War I, with the 1920 verdict against Ulrich Edoard by the court in Neuchatel for having sold «Bitter Americano de Martini et Rossi dans une bouteille portant la marque Campari».65 The major risk was the use of the denomination «Red Bitter» as a generic indication which had become common use in daily life and whose property therefore could not be attributed to any specific producer. This was something that Campari strongly opposed, being aware that its success depended on keeping the product connected to the name of the firm. Therefore, the risk of the extension of the name Bitter to all the «red» beverages being sold as an aperitif was an extremely insidious one for Campari, which had to fight off the attacks of the competition. Attempts to make the brand a generic product were, however, defeated routinely by the verdicts returned, in which the judges expressly recognised that the product known as «Bitte»

61 Situazione delle ditte estere Davide Campari = Parigi Davide Campari = Lugano nei confronti dell’ufficio italiano cambi, in: CA.
63 Relazione visita zona svizzera-francese sigg. Jaspart e Migliavacca, 7-12 ottobre 1935, in: CA.
64 Ibid.
65 Copie de judement du 14 decembre 1920, in: CA.
was the outcome of a complex contribution of diverse elements constructed through
time and that it belonged solely to the company who had registered this trademark.66

Besides the initiatives of individual competitors there were other, more insidious col-
lective attempts at counterfeiting that necessitated modes of defence which were much
more persuasive than the use of legal safeguards alone. In May 1923, for instance, a case
was discussed in the «Cour de Justice civile» in Geneva against the «Café du Siècle» in
order to make it cease using the «commercial name of Campari» to sell liquors of its
own production.67 In their defence the counterfeiters adduced motivations linked to
the high price of Bitter Campari: in their opinion the client was not duped because of
the wide difference in cost – 80 centimes a glass for the original drink, 60 for the imita-
tion – which they argued was sufficient to avoid generating confusion, and therefore
there was no case of illegal imitation.

However, the most worrying aspect for Campari was not the decision of the court,
but rather the reaction that arose from this and other, similar sentences. The court, after
all, could only impose sanctions against individual episodes or transgressors; it could do
nothing against the collective reaction of the Geneva «caféiers».68 The latter, faced with
heavy fines inflicted for selling counterfeit imitations, decided to put up signs that
clearly indicated that the house no longer sold Campari. The company took immediate
legal action since it was considered that this constituted a denigration of the brand.69

Nonetheless, while recognising that the exclusion of Campari from sale was a boycott
of its products, the judge limited himself to ordering the removal of the signs. The un-
expected reaction of the Geneva café-keepers led Campari to adopt a more conciliatory
approach and to soften its recourse to legal action, which were in any case ineffectve in
combating the spreading of «absurd rumours» concerning the quality of its products.70

Setting aside legal options, the only alternative left was to stipulate agreements with
the trade associations,71 a compromise which guaranteed the safety of the brand in the short
term, and offered adequate profit margins to the sellers. In the long term, in order to
avoid costly boycotts, Campari invested in building a loyal clientele.72 This aim was
pursued through a combination of factors, which besides a price recommendation also
supplied the «tradesmen» with specific «measures», that with the addition of an adequate

66 Note sour l’affaire Campari & C.ie Amara
Blanqui, Marzo 1921, in: CA.
67 «MM Handwerk Frères vendent sous ces
deu x noms un produit de qualité inférieure»,
Handwerk Freres Arret de la court de justice
du 4 mai 1923 Lousanne Geneve, in: CA.
68 «été accusé eux-meme d’avoir vendu sous
le nom de Campari un produit étranger»,
Judement du 16 Décembre 1921, Davide
Campari et Cioe c/ Handwek Fréres, in:
CA.
69 «Tout au plus selon lui faudrait il y voir
une forme de boycott licite», Canton de
Geneve – Maurice Lazare 18 mai 1921, in:
CA.
70 For instance, allegations regarding «corrosion
of linen, corrosive action on copper coins –
contained in aloe, which is a health risk»,
Relazione visita Svizzera francese, sigg. Jas-
part e Migliavacca, 7=12 ottobre 1935, in:
CA.
71 The «Journal des cafetiers’ in Geneva pub-
lished a communiqué» in which both sides
announced their commitment to «travailler
en parfaite harmonie» and invited their asso-
ciates to «refusez toute imitation» and «à la
demande de: un CAMPARI ne serves absol-
ument que du CAMPARI», David Campari
72 In the periodic reports of the inspectors sent
to visit the Campari markets specific atten-
tion to «push, above all, direct sales to the
upmost limit possible», Relazione visita
Svizzera tedesca 20-25 October 1935, in:
CA.
amount of soda allowed them to increase the number of drinks served, something which then of course «increased profits».73

The epilogue to success: Campari Soda

In the 20s, Campari reached definitive international success.74 The combination of various «ingredients» like the products’ quality, the industrial organisation of production, the use of a mix of advertising forms, along with the consolidation of the commercial network, allowed the company to establish itself as a brand that recognisable both to European consumers and to those in the new world. Sales performance in the years following World War I highlighted the results achieved on domestic as well as international markets, a trend interrupted only by the economic crisis at the end of the 20s. Furthermore, sales statistics show how the quota sold through Campari’s own cafés had been reduced to marginal levels and was by then insignificant compared to overall business results.75

Graph 1: Campari sales in the national market and export (1913 to 1937)

Source: Riassunti Esercizi; Dettaglio vendite esportazioni, in: CA, years as indicated, value in Italian Lire.

74 See the letter of presentation by the Financial editor of the London Morning Post, sent by the management of the major bank of the time, la Banca Commerciale Italiana, in: Bank Intesa Archive, Fondo CdDC, 2 (21.3.1929-14.10.1931).
75 On the basis of the data available, the sales share of the Campari bars was around 2-3%
The slowing sales trend towards the end of the 20s/beginning of the 30s happened for several reasons. Above all else, though, the economic crisis had a deep impact on national consumption patterns. Still, the sales decrease for Campari turned out to be less than that registered by similar products, which in the period from 1926 to 1930 suffered a contraction of 32 percent while Campari managed to limit the decrease to twelve percent. A similar negative development was registered on the export side, confirming the prevalence of Campari in markets characterised by the presence of large communities of Italian emigrants: the main flow of export was towards Argentina, followed by other countries, particularly in Africa, where there was a major Italian presence, for example Libya and Eritrea. The relatively low proportion of European sales (about 23 to 25 per cent), may be explained by the independence of the Swiss and French branches whose sales extended beyond their own territories to serve neighbouring markets and even countries outside Europe, which tended to cause an underestimation of the global sales amount since the market share of the non-Italian companies both at home and abroad was not included in the figures for the head office. Furthermore, the introduction of import limitations in some of the main Latin American markets, combined with protectionism in the US, struck a heavy blow to Italian producers of alcoholic beverages.

The price variations for Bitter, Campari’s main product, were highly significant (see Graph 2). In fact, it is quite noticeable how in the years following World War I a sharp price increase took place. Once the post-war crisis was over, prices began to rise again even if in a more restrained manner than before. This behaviour suggests how the choices made had been premeditated ones and how prices responded to the obvious objective of maintaining unchanged through time the image that had been constructed, i.e. the image of a high-quality product, destined to consumers who were prepared to maintain rites such as drinking aperitifs, in particular for reasons of social visibility, irrespective of the economic climate.

Determining sales price was part of a precise commercial policy aimed at obtaining control over distribution. The policy also sought to select the clientele, demanding immediate payment for the goods supplied from 1917 onwards. To this end, the instructions given by the main office to the branches explicitly stated that they should «take pains mainly in the contact with the retail client» and that in order «to reach our aim we need to extend sales directly to the tradesmen», thus cutting out the middleman. All of

in the five year period 1914-1919, in: CA, Riasunti Esercizi 1910/11-1921/22 Esercizi; years as indicated.


77 In the years 1926 to 1927, export were distributed as follows: Europe 364,522-433,798; Asia 6,942-5,065; America 1,098,630-1,161,900, with Argentina alone amounting to 843,360-1,014,720; Africa 162,068-110,094. Total exports: 1,632,162-1,710,857, in: CA, Conto Vendite Esportazione; years as indicated, values in Italian Lire.

78 The controlled companies were autonomous as far as managing their exports was concerned, also beyond their own national borders, Etablissements David Campari – Paris, 22/11/1939, in: CA.

79 As already attempted by Campari, Branca tried to avoid paying duties too, by selling the extract employed in the production of the liquor to an agent in Buenos Aires. Romani, Fratelli Branca – Distillerie (cf. n. 49) 146.

these moves aimed to make the client loyal to the company and to avoid comparison with the competition on the grounds of price alone.\footnote{Campari proved to be attentive to the «marketing mix» aimed at «establishing strong brand loyalty that could overcome price sensitivity», Strasser, \textit{Satisfaction Guaranteed} (cf. n. 2), 228.}

As mentioned, the success of Campari was founded in highly significant ways on the relationship between marketing and sales, a link supported by high advertising costs that supported sales especially during critical periods such as the 20s and 30s (see Table 1).

The company’s enterprising spirit did not rest on its laurels in the face of economic events. On the contrary, Davide Campari reacted to the crisis with the launch in 1932 of an innovative «product», Campari Soda, something which was truly a novelty.\footnote{For similarities with the adoption of a distinctive bottle by Coca Cola in 1915 see Terri, Lonier, \textit{Alchemy in Eden: Entrepreneurship, Branding, and Food marketing in the United States, 1880-1920}, Dissertation, Department of History, New York University (2009), 154-155; and in general Robert Fitzgerald, \textit{Products, Firms and Consumption: Cadbury and the Development of Marketing, 1900-1939}, in: Business History 4 (2005).} In its «elegant cone-shaped bottle», Bitter Campari came ready-mixed with what was considered the optimum quantity of «seltzer» so as to obtain a product which could be consumed immediately. This in turn allowed the company to offer a product at a price which was much lower than the cost of a litre bottle of full-strength Bitter, thus mitigating the impact of the economic crisis on consumers, who by then had become accustomed to the ritual of the aperitif. The success of the innovation was immediate, so much so that from 1932 the overall sales underwent a rapid renewed growth to which «Campari Soday» contributed 36 per cent of the total amount.\footnote{Esercizio 1932, in: CA.}
Conclusion: the establishment of a brand on the international market

On the whole, Campari’s experience shows notable similarities to other cases of successful brands of the same period. However, careful scrutiny allows better understanding of how certain factors played a fundamental role in determining positive results. The most decisive factor for the company was the timing of its appearance on the market in the context of rapid change. This allowed managers to understand the changes in taste of a wealthy clientele who were in search of their own social recognition. The evolution in the range of drinks on offer, for example for Bitter Campari, confirms how «incremental innovation through imitation and modification» was the main approach to refining the product, a process to which the consumers contributed in a relevant measure.

Once this approach had been taken, there was a need to accept discontinuity between the original nature of the firm and the entreprenurial skills of the heir, Davide Campari, who defined the company’s new form. A formative period for him in France turned out to be fundamental, showing him opportunities for economic growth. And it is in this context of discontinuity from its origins that the success of Campari must be understood, since Davide was on the basis of his experience abroad able gradually to elaborate a coherent development strategy. Advertising became a key aspect of this strategy since it created an image for Campari products which distinguished them from

Table 1: Campari sales and advertising costs. Value in Italian Lire (1922 to 1931)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Advertising</th>
<th>% of advertising over sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1922</td>
<td>9,786,367</td>
<td>1,224,792</td>
<td>12.52%</td>
</tr>
<tr>
<td>1923</td>
<td>11,577,568</td>
<td>1,501,911</td>
<td>12.97%</td>
</tr>
<tr>
<td>1924</td>
<td>14,343,005</td>
<td>1,171,798</td>
<td>8.17%</td>
</tr>
<tr>
<td>1925</td>
<td>16,682,076</td>
<td>864,806</td>
<td>5.18%</td>
</tr>
<tr>
<td>1926</td>
<td>16,218,335</td>
<td>836,579</td>
<td>5.16%</td>
</tr>
<tr>
<td>1927</td>
<td>17,256,109</td>
<td>1,035,380</td>
<td>6.00%</td>
</tr>
<tr>
<td>1928</td>
<td>17,676,430</td>
<td>969,033</td>
<td>5.48%</td>
</tr>
<tr>
<td>1929</td>
<td>15,883,229</td>
<td>905,410</td>
<td>5.70%</td>
</tr>
<tr>
<td>1930</td>
<td>15,810,834</td>
<td>1,627,388</td>
<td>10.29%</td>
</tr>
<tr>
<td>1931</td>
<td>14,641,701</td>
<td>1,711,349</td>
<td>11.69%</td>
</tr>
</tbody>
</table>

Source: Comparison of the accounting ledgers, in: CHA, years as indicated.

84 For a brief international summary see Koehn, Brand new (cf. n. 9), 320.
85 Church, Branded (cf. n. 2), 536.
the competition. Distribution was also a determining factor in achieving the company’s objectives. Initially, direct sales to the public allowed Campari to have immediate and direct knowledge of customer tastes. 86 This was later put at risk by Campari’s growth, which threatened to interrupt this flow of information, but Campari then entrusted its sales network with continuing this practice. Hence, commercialisation of the product became fundamental also to the ability to monitor the market constantly, allowing the company to evaluate commercial potential fully and to respond to its competitors, above all those who practised unfair competition.

Moreover, the sales network provided an even greater contribution in foreign markets, providing knowledge about the characteristics of the territory and evaluating the results of the advertising campaigns. The sales network therefore worked as an interface between Campari and the areas in which it operated, and as a model which, after being perfected in the Swiss market, was repeated in other contexts. Moreover, together with the creation of a loyal clientele, the sales network became fundamental for the legal actions against counterfeitors. Here, the real asset to be protected was the link created between the material product and the image around it. The disputes over its product led Campari to make the identification between its product – Bitter – and its brand ever stricter, creating a superimposition between consumption of the aperitif and its brand. 87

The style Davide Campari aimed for in the advertising campaigns fulfilled the task of creating a specific “personality” for the product, 88 and as a consequence also for the consumer. This personality became Campari’s principal asset in the company’s competition with other brands. However, the reaction of the market highlights how recourse to legal action alone was insufficient to combat counterfeiting because the legislation in defence of the brand was insufficient against collective behaviour, a point which leads us to reflect not only on the spread of trademark law but, above all, on its efficiency in defending the value of the brands.

Finally it is worthwhile concentrating on the results achieved by Campari. The most interesting aspect regards the expansion of sales which demonstrates how Bitter became a product of large-scale consumption. This made it vulnerable to general trends in the economy, but, precisely at the moment of most profound crisis at the beginning of the 30s, Campari preferred to valorise its leading product rather than adopt a policy of cutting prices. It was precisely in the context of competition on foreign markets that led to Campari strongly marking the personality of its products so as to distinguish itself from the competition and to obtain, thanks to the artistic quality of its advertising, a visibility which was unique on the alcoholic beverages market.

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86 On the «relationship between producers and their audiences» see Regina Lee Blaszczyk, Imagining Consumers. Design and Innovation from Wedgwood to Corning, Baltimore 2000.
87 On these aspects see George S. Low/Roland A. Fullerton, Brands, Brand management, and the Brand Manager System: A Critical – Histori-