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**Article — Published Version**

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Intereconomics

*Suggested Citation:* Kuhn, Britta (2005) : The communication policy of the European Central Bank: A review of the first five years, Intereconomics, ISSN 0020-5346, Springer, Heidelberg, Vol. 40, Iss. 1, pp. 22-28,  
<https://doi.org/10.1007/s10272-005-0133-8>

This Version is available at:

<https://hdl.handle.net/10419/41867>

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Britta Kuhn\*

# The Communication Policy of the European Central Bank

## A Review of the First Five Years

*In January 2004, the euro celebrated its fifth anniversary. How did the communication work of the European Central Bank (ECB) perform in these first five years? What could still be done to improve acceptance of the euro?*

In the first years of the euro experts focused on the ECB's new type of monetary policy strategy. The European public focused on whether the euro would bring more – not less – prosperity than the previous national currencies. The euro faced a challenge here, particularly in Germany, for the deutschmark had been a symbol of wealth.

By and large, the ECB was faced with a major task. First, it should maintain stable prices – following the economic insight that sustainable prosperity is incompatible with high inflation rates. Second, its monetary policy strategy should be generally understood and accepted. Third, the euro should convert the European Union into a dynamic economic area comparable in importance to the USA, with the euro playing a similar role to the US dollar. Fourth, the new currency was intended to accelerate the economic and political integration of Europe. Finally, the European public should soon forget the previous national currencies. In fact, on 31 December 2001, former ECB president Wim Duisenberg predicted that within a few weeks people wouldn't even remember that there once had been a different currency.

The course of events was rather different. However, the ECB can only be blamed in part. First, the ECB's definition of price stability – since May 2003 an inflation rate below, but close to, 2 per cent over the medium

term – was controversial among experts. Second, especially the respective advocates of both direct inflation targeting and monetary targeting criticised the monetary policy strategy of the eurosystem, as this combines economic analysis with monetary analysis. Third, Europe has to cope with increasing structural problems, keywords being slow-down of growth, high unemployment, public deficits, ageing population and inflexible markets for labour, goods and financial products. Thus, although the euro has begun to catch up with the US dollar as a leading international currency, it still lags far behind.<sup>1</sup> The euro-dollar exchange rate in 2003 was regularly interpreted as a weakness of the US dollar and not as a strength of the euro. Fourth, economic disparities within the European Union continue to harass monetary politicians. In press conferences, speeches and monthly reports they regularly stress economic biases which prevent a stability-oriented monetary policy. Finally, only 66 per cent of the population in the euro area supported the common currency in spring 2004. In the European Union, acceptance had even dropped to 60 per cent.<sup>2</sup>

### Milestones of the ECB's External Communication

The ECB not only communicates with the media, but also with "the general public and the markets".<sup>3</sup>

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<sup>1</sup> European Central Bank: The international role of the euro: main developments since the inception of Stage Three of Economic and Monetary Union, in: Monthly Bulletin, November 2003, pp. 71-79.

<sup>2</sup> Standard Eurobarometer: Eurobarometer 61, spring 2004, first results, publication: May 2004, p. 9.

<sup>3</sup> European Central Bank: Transparency in the monetary policy of the ECB, in: Monthly Bulletin, November 2002, pp. 59-66, here p. 59; for details on the ECB's communication approach cf. *ibid.* and European Central Bank: The external communication of the European Central Bank, in: Monthly Bulletin, February 2001, pp. 59-65.

Instruments such as monthly bulletins, press conferences, public speeches by the members of the Executive Board or academic publications are directed particularly at experts from around the world, i.e. financial professionals, economists within banks and academics who specialise in monetary policy. Generally understandable brochures or the "Euro 2002 Information Campaign" regarding cash introduction<sup>4</sup> are particularly directed towards the European general public – even in those countries which do not yet belong to the eurosystem. They aim at making European citizens feel comfortable with the new currency and at convincing the general public of the euro's stability – which will finally contribute to economic wealth.

However, the classification of target groups and the corresponding communication tools by the ECB into experts on the one hand and the general public on the other is far from clear. To which category does the ECB's website belong, for example? Or even more important: are politicians considered to be experts? In the following it is assumed that top politicians, especially, belong to the general public. Most of them do not have an education in economics – at least in Germany – and all of them have to absorb huge amounts of information day by day. Therefore, they can usually only digest simple messages which are especially emphasised and often repeated.

### Communication with Experts

The ECB has again and again explained its monetary policy strategy in an open, analytical and comparatively clear manner.<sup>5</sup> It eliminated initial comprehension problems to a great extent by reiterating its strategy again and again, but also by clarifying it and by profoundly dealing with critics' arguments.<sup>6</sup> Of course, disagreement has remained up to the present. It basically arises from different national traditions and academic assumptions.<sup>7</sup> In fact, long-term inflationary expectations stabilised below 2 per cent.<sup>8</sup> Moreover,

bank experts point out that, today, financial markets usually succeed in anticipating ECB decision-making, i.e. that there is less insecurity in the markets.<sup>9</sup> Therefore, the monetary policy strategy seems to be well understood and accepted.

### Communication with the General Public

ECB communication with the general public is particularly characterised by three aspects. Firstly the ECB focuses on so-called "active receivers".<sup>10</sup> Secondly, its target group segmentation remains fuzzy. Thirdly, it rejects emotional messages and concentrates on hard facts.

Active receivers are, for example, groups of visitors to Frankfurt or internet users, but not the great mass of TV-viewers. An exception to this policy was the Euro 2002 Information Campaign. Anyone who wishes to use the ECB's website needs good English skills: no other language can be chosen at the beginning and kept throughout the whole navigation process. Perhaps this is done deliberately in order to direct the user to the national central bank's website. Yet these sites do not contain the same information as the ECB homepage.

Within the general public or its active parts, the European Central Bank concentrates on so-called "multipliers" such as, for example, teachers and journalists. A special brochure is directed towards pupils and college students. In addition, the ECB distinguishes between different languages and cultural settings, especially by translating the English original into the other official EU languages. A further target group segmentation is not visible, at least from the outside.

Why does the ECB ultimately abstain from emotional messages towards the general public? Why does it focus almost completely on analytical explanations? Internal ECB opinion states that the creation of credibility is incompatible with an emotional approach. Rather, the ECB concentrates on objective information within the framework of its political mandate. Everything else should be left to politics. ECB president

<sup>4</sup> For details see European Central Bank: ECB Annual Report 2002, p. 175.

<sup>5</sup> For important publications see European Central Bank: A stability-oriented monetary policy strategy for the ESCB, press release, October 13, 1998; European Central Bank: The stability-oriented monetary policy strategy of the Eurosystem, in: Monthly Bulletin, January 1999, pp. 39-50; European Central Bank: The two pillars of the ECB's monetary policy strategy, in: Monthly Bulletin, November 2000, pp. 37-48; European Central Bank: The outcome of the ECB's evaluation of its monetary policy strategy, in: Monthly Bulletin, June 2003, pp. 79-92.

<sup>6</sup> For very detailed arguments cf. European Central Bank: Overview of the background studies for the reflections on the ECB's monetary policy strategy, May 8, 2003; a comprehensive acknowledgement of the ECB's monetary policy strategy is also to be found in Commerzbank 2003: The ECB's monetary policy strategy: Better than its reputation, Research notes, April 2003.

<sup>7</sup> European Central Bank: Overview of the background studies ... , op. cit. ; M. Kurm-Engels: Wissenschaftler weist Zusammenhang von Geldmenge und Inflation nach, in: Handelsblatt, April 9, 2003; N. Häring: Experten für neue EZB-Strategie, in: Handelsblatt, May 6, 2003; Sachverständigenrat: Herbstgutachten 2003, pp. 131 and pp. 639.

<sup>8</sup> European Central Bank: The outcome of the ECB's evaluation ... , op. cit., p. 81, chart 1 panel B.<sup>9</sup> For example, HVB Group: A short history of ECB time, in: Economic Analysis, October 24, 2003, pp. 5-6.

<sup>10</sup> European Central Bank: Transparency in the monetary policy of the ECB, op. cit., p. 60.

Trichet is quoted as allegedly having said that central bank policy is not “entertainment”, but has to repeat monotonously messages such as the price stability objective.

This point of view also explains why the ECB refuses to advertise in magazines and television, with the exception of the introduction of cash in 2002: advertisements not only offer hard facts, but also try to create attachment and credibility through an emotional approach.

Altogether, the ECB has multiple communication instruments towards the general public at its disposal. However, they are used in a very discrete manner. The results of this approach can be exemplified with two case studies: the German “teuro” debate<sup>11</sup> and the Eurobarometer survey results concerning the acceptance of the euro among European citizens.

#### “Teuro” Debate in Germany

Consumers in Germany associated the introduction of euro banknotes and coins in 2002 with major price increases. This impression was intensified by the mass media and especially the boulevard press. The Deutsche Bundesbank and the Federal German Statistical Office investigated whether the introduction of euro banknotes and coins had sped up inflation and came to the conclusion that the effect had been minimal.<sup>12</sup> Unfortunately these hard facts either did not reach, or failed to convince, broad sectors of the German population. Perceived inflation exceeded actual inflation by up to two percentage points in spring 2002 and remained above the official inflation rate throughout the years 2002 and 2003 (see Figure 1).<sup>13</sup>

Psychologists explain this phenomenon by the especially high euro scepticism of Germans on the eve of euro cash introduction: since price increases had been expected, the Germans mainly registered whatever complied with these expectations.<sup>14</sup> The experiments of the psychologists underpin this interpretation. Test individuals received menus with both deutschmark and euro prices which they were supposed to com-

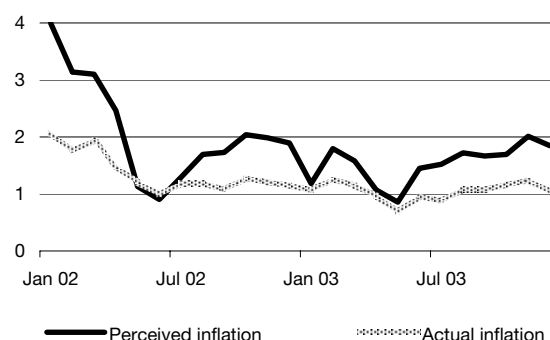
<sup>11</sup> “Teuro” combines “euro” with the German word “teuer”, which means expensive.

<sup>12</sup> For a comprehensive summary of the extensive research done since early 2002 see Deutsche Bundesbank: *Der Euro und die Preise: zwei Jahre später*, in: *Monthly Bulletin*, January 2004, pp. 15-28.

<sup>13</sup> HVB Group: *Two years later. (T)Euro still on Germans minds*, in: *European Morning Bell*, January 21, 2004, p. 1.

<sup>14</sup> T. Greitemeyer, S. Schulz-Hardt, E. Traut-Mattausch, D. Frey: *Erwartungsgeleitete Wahrnehmung bei der Einführung des Euro: Der Euro ist nicht immer ein Teuro*, in: *Wirtschaftspsychologie, Themenheft Finanzpsychologie*, No. 4, 2002, pp. 22-28.

**Figure 1**  
**Discrepancy between Actual and Perceived Inflation, Year-on-year, in %**



Source: HVB Research.

pare. The price increases due to the euro were greatly overestimated and even constant euro prices were perceived as price increases. The euro would possibly have been interpreted as “teuro” even if all prices in Germany had plummeted.

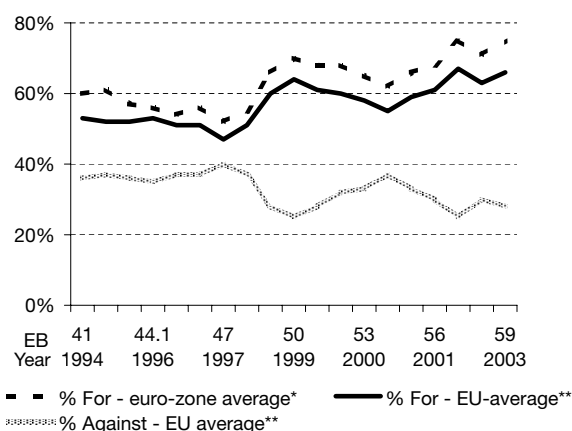
The official reaction of the ECB to the German “teuro” debate was extremely weak. There was no counter-campaign and no crisis management whatsoever. Instead, politicians and monetary policy-makers expressed inconsistent viewpoints.<sup>15</sup> Member of the ECB Executive Board Otmar Issing later conceded that the acceptance of the new currency among large sectors of the German population had suffered from perceived inflation.<sup>16</sup> Wim Duisenberg even called it a mistake that the central bank and politicians had not handled the “teuro” debate more honestly.<sup>17</sup> Internally, the ECB pointed out at the beginning of 2004 that the “teuro” debate had not been a problem of the central bank but was, rather, a typical phenomenon for a free market system. Therefore it had disappeared automatically due to the self-regulating forces of the market. This perception explains why there was no crisis management by the communication department and why

<sup>15</sup> The German broadcasting service WDR commented at the beginning of 2003: “Now it’s out: the euro is a ‘teuro’ – admits euro guardian and ECB President Duisenberg. Nonsense, the prices are stable as never before – counters Finance Minister Hans Eichel. The consumers make up their own minds: keeping the former deutschmark in mind, they will no longer tolerate the forcing up of prices and therefore refrain from buying. This has caused the loss of 60,000 jobs in the retail trade for 2003 according to retail calculations.” *Westdeutscher Rundfunk* (2003); translation by the author.

<sup>16</sup> <http://www.faz.net/s/RubC9401175958F4DE28E143E68888825F6/Doc~E2FB2F9EC860B4C6BA84DF33198DE6915~ATpl~Ecommon~Scontent.html>. Statement of January 12, 2004.

<sup>17</sup> FAZ.Net *Währung; Positive Bilanz des ersten Euro-Jahres*, <http://www.faz.net/s/RubC9401175958F4DE28E143E68888825F6/Doc~E0764F30555F431C8E3FDAA4EBAE3FC1~ATpl~Ecommon~Scontent.html>. Statement of December 31, 2002.

**Figure 2**  
**Support for the Single Currency**  
**1994 - 2003 (EU 12 - EU 15)**



\* EURO 9 until 1994; EURO 11 since 1995; EURO 12 since 2000 (EB 54); \*\* EU 12 until 1994; EU 15 since 1995; Percentage 'don't know' not shown.

Source: Survey no. 59.1 - Trend. Standard Eurobarometer 59, Fig. 7.5a.

there will probably be no such management for similar cases in the future: where there is no problem, there will be no reaction.

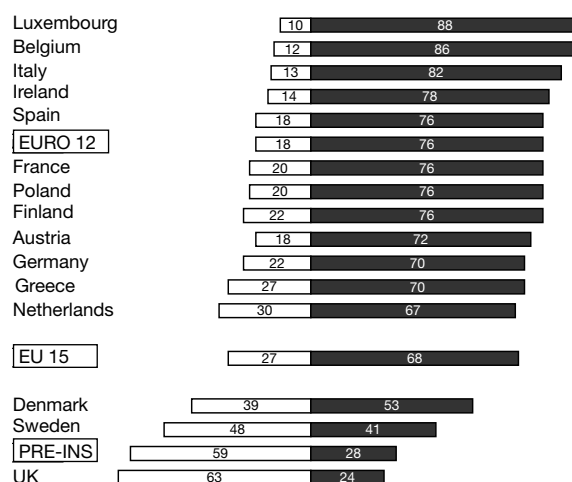
Are European central bankers not afraid that the mass media could suddenly start a sustained and harmful campaign against the euro? The internal ECB answer is "no": after all, the European Central Bank is working with great objectivity in order to improve its long-term credibility; therefore negative campaigns do not have any basis but are simply incredible as so many hard facts contradict them.

#### Public Acceptance of the Euro

Approval of the common currency has increased from 53 to 66 per cent between 1994 and 2003 among the EU population and from 60 to 75 per cent among citizens of the euro zone (see Figure 2).<sup>18</sup> There was a first clear jump in acceptance through 1997 and 1998, i.e. on the eve of the euro introduction in 1999, and a second rise just before the start of euro banknotes and coins in 2002. Both increases might go back to intense and positive media coverage at the time, especially during the cash introduction, which had been supported by the European System of Central Banks (ESCB). In 2002 the "teuro" debate, however, left negative traces. Between autumn 1998 and spring 2004, support for the single currency went down from 64 to

<sup>18</sup> Standard Eurobarometer: Eurobarometer 59, spring 2003, release: July 2003, Figure 7.5a, p. 63.

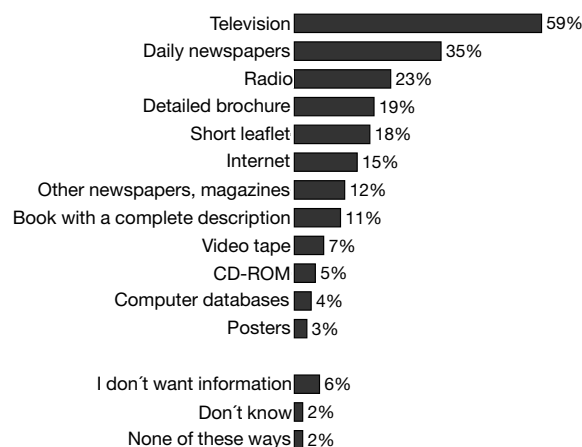
**Figure 3**  
**The Euro: For or Against?**



□ % Against ■ % For  
Percentage 'don't know' not shown.

Source: Survey no. 59.1 - Fieldwork March - April 2003. Standard Eurobarometer 59 - Fig. 7.5b.

**Figure 4**  
**Preferred Method of Receiving Information**  
**about the EU (EU 15)**



Source: Survey no. 59.1 - Fieldwork March - April 2003. Standard Eurobarometer 59 - Fig. 4.2.

60 per cent within the European Union (EU) and from 70 to 66 per cent within the euro area.<sup>19</sup>

Euro approval strongly differs among countries (see Figure 3).<sup>20</sup> In Germany for example, 70 per cent of the public was in favour and 22 per cent against the euro in spring 2003. German support therefore ranked below the average of the euro zone (75 per cent) but

<sup>19</sup> Standard Eurobarometer: Eurobarometer 61, op. cit., p. 9.

<sup>20</sup> Standard Eurobarometer: Eurobarometer 59, op. cit., Figure 7.5b, p. 64.

above the average of the EU 15 (66 per cent). Only the non-members of the eurosystem, as well as the Netherlands and Greece, showed more disapproval.

The euro scepticism of the general public was intensified by negative coverage in popular press and television. For 59 per cent of EU citizens, television is by far the most appreciated source of information about the European Union, followed by newspapers at 35 per cent (see Figure 4).<sup>21</sup> In both media, the ECB normally only appears indirectly via journalistic coverage. News concerning the Bank's senior staff which are readily comprehensible clearly dominate and cause sustained damage to the ECB's credibility: Mr. Trichet: the man who had been sued in France for corruption will finally become president of the European Central Bank; Ms. Tumpel-Gugerell: the Austrian wins against the Belgian candidate because of her gender (there must be one female member of the Executive Board, not more, not less); Spanish Mr. Solans: large and small EU member countries are fighting about the nationality of his successor rather than about his qualifications.

Aware of this often dreadful public perception, the ECB just seems to regret that politicians behave so poorly. Internally, central bankers justify their passivity with the fact that the single currency was purely a political decision. But is the ECB aware that such communicative discretion might jeopardise its long-term existence? How will it defend the price stability objective or institutional independence from being violated or abolished, if these goals are not supported by the European public? How could the ECB act as a communicative counterweight to politics?

### **Euro "Branding"**

Traditional brand items achieve credibility by combining the promise of performance and efficiency with guaranteed quality. They normally avail themselves of symbols and communicate not only product qualities but also emotions to consumers. Finally, brand items compete with similar goods and therefore try hard to differ from them.

All these features also apply to the euro. It represents one of the very few symbols of European unity within an otherwise heterogeneous EU. Its performance guarantee and its quality promise can be summarised as follows: "Our excellent monetary policy strategy will safeguard price stability!" European citizens not only perceive the euro functionally

as a medium of exchange, unit of account and store of value. They also associate emotional aspects such as European identity, self-confidence or feelings of inferiority with the single currency. Finally, the euro, formally, is the only legal medium of exchange within the euro area, but in fact it has to compete with other currencies: globally with the US dollar or the Japanese yen, nationally with the former currencies.

If the common currency were interpreted as a brand, euro branding could be professionally controlled: it could be ensured that the general public associated the single currency less with negative attributes such as "weak growth", "inflation" or simply "fear", and more with positive aspects such as "travel opportunities", "European holiday"<sup>22</sup> or a central bank president who is likeable and inspires confidence.

### **Communication Concept for the General Public**

The ECB could define worldwide acceptance of the Euro as its main communication goal. This could be achieved by building trust, credibility, stability and identification. Three sub-goals would follow. First, continuous presence of the ECB in respectable media and especially in news magazines. Second, a simple and convincing conveyance of the price stability objective with facts and emotional messages. Third, active opinion-making on the euro. In order to achieve this, the communication strategy should consist of continuous advertising, more public relations and direct marketing.

Advertising could use a strong slogan in print and television on a long-term basis. During the "Euro 2002 Information Campaign" for example, the ECB relied on the – also emotional – message "The euro: our money". By advertising, the ECB could succeed in reaching "passive receivers" and in implementing the single currency not only functionally but also emotionally as a symbol for price stability and prosperity. More merchandising like the already existing computer mouse-pads would complete these efforts.

Public relations should persuade Mr. Trichet and in Germany Mr. Weber to make more public appearances and to give many more interviews on general economic issues. Respectable news platforms should be chosen, and in order to avoid major risks the contents could be totally agreed upon before being broadcast or published. It does not seem advisable,

<sup>21</sup> Ibid., Figure 4.2, p. 33.

<sup>22</sup> Each country has its own national holidays, but there is not yet a particular common holiday – which should be a Sunday due to labour cost problems.

in contrast, to appear on political talk shows: their intrinsic dynamics involve high risks. The appearance of national “ambassadors” with a high level of popularity, likeability and trust in their respective country could also be considered. They could present simple messages in favour of the euro. The ECB could learn from UNICEF and its ambassadors in this respect.

Finally, the ECB could undertake more direct marketing with regard to multipliers, in particular with regard to politicians. If these comment frequently on the euro and the ECB they should be guided as far as possible by central bankers or at least be more exclusively informed by the eurosystem. In addition to politicians, teachers, university instructors, journalists and other public commentators on the euro should be approached more directly.

The national central banks should of course be strongly involved in all these measures in order to take cultural diversity in the euro area into account. They are the ones who know the appropriate national media. They possess the essential personal network and the cultural sensitivity with regard to appropriate and inappropriate communication measures within the national framework. The national central banks should also play a major role in crisis prevention and crisis management since few crises will break out to the same extent at the national and the European level, as the “teuro” debate has shown.

### **Benchmarks: Deutschmark, US dollar and “Smart”**

The ECB could learn from the Deutsche Bundesbank how to transform a new and unknown currency into a symbol of wealth. Possibly its predecessor, the “Bank deutscher Länder”, met with more favourable economic circumstances than the European Central Bank in 1999/2002, since the deutschmark was introduced in 1948 together with the free market economy in West Germany. However, it was its successor, the Deutsche Bundesbank, which succeeded in building a unique identity in the eyes of the German public. Formally, the autonomy of the Deutsche Bundesbank was far less regulated than ECB independence in the Maastricht Treaties. Yet the autonomy of the Deutsche Bundesbank and its striving for price stability were completely sacrosanct for German politicians. In the European Union on the contrary, more institutional “flexibility” for monetary policy is being openly discussed. In addition, financial markets and many politicians frankly call for a monetary policy comparable to that of the US Fed, i.e. for much less focus on price stability. Even within the European system of central

banks it is questioned whether or not price stability is of major concern to the EU population.

In the US Federal Reserve System, Europe’s central bankers could study the advantages and drawbacks of a strongly personalised monetary policy. On the one hand, the Greenspan personality cult and his strong discretionary approach jeopardise the long-term continuity of monetary policy. On the other hand, trust in personalities may replace a large part of formal information. The ECB would not have to make such an effort to convince the European public on a factual level if the citizens knew the ECB president well from the media and trusted him.

The ECB could, finally, learn from the communication strategy of the “smart”. Cars are particularly comparable to currencies as functional aspects dominate buying decisions. Besides, the decision for or against a car is a highly emotional affair, especially for male buyers. The smart in particular has parallels to the euro. It is a young brand in a mature market that had to cope with significant acceptance problems in the beginning, yet established itself successfully due to serious marketing efforts.<sup>23</sup> The smart was introduced at the Internationale Automobil-Ausstellung (International motor show) in Hanover in 1997. At first both the public and experts were sceptical: why buy a car with only two seats at the price of a four-seater? When the first vehicles failed the “moose test” the reputation of the brand seemed to be completely ruined before the first cars were even seen in the streets. Continuous, highly emotional and spectacular public relations work – for example the conspicuous presentation in glass showcases – converted the smart within a few years into a successful trend car.

### **Opposition to Intensified Euro Marketing**

Discussions within European Central Bank and the Deutsche Bundesbank show that there are several reasons why the preceding suggestions will meet with reservations. These reservations vary in their validity.

Reason number one has already been mentioned. The European currency union is politically motivated and therefore politicians are also responsible for communicating with the general public. A counterargument lies in the inherent incentive of politics to abolish

<sup>23</sup> Details in B. Gottschalk, R. Kalmbach: smart – open your mind, in: Markenmanagement in der Automobilindustrie, Wiesbaden 2003, chapter 9, pp. 396 – 407; <http://www.motor-talk.de/t163111/f212/s/thread.html>; <http://www.smart.de/-snm-0135155096-1075220602-0000006661-0000000011-1077787791-enm-smart/content/de/de/smart/smartimdetail/company/smartgmbh>.

the objective of price stability and the independence of the eurosystem.

The second argument asserts that a currency is not comparable with typical consumer goods but particularly sensitive. This assessment, which is seldom substantiated accurately, for a long time prevented commercial banks from presenting themselves as brand items. For example, the discussion within the newly merged HVB Group in 1997 was substantial when a publicity campaign based on image rather than facts was launched in Germany with the slogan "Live. We'll take care of the details."<sup>24</sup> For some time now, however, a number of commercial banks have imitated this successful advertising strategy of the HVB Group.

The third objection states that only hard facts create credibility. However, "credible" means "believable" and not "factual". Factual information is not flawed by additional emotional components; on the contrary it is reinforced. For example, many facts are only striking because of the nature and the character of the person presenting them.

Fourthly, uniform messages from different senior representatives of the eurosystem are hard to achieve even on a factual level. Additional emotional statements would worsen this consistency problem, it is argued. In fact, this is a serious problem for any institution working within a political and international context. It could be mitigated by centrally planned advertising campaigns engendering homogeneous messages.

Objection number five refers to the non-existence of a European public. Which representatives of the Eurosystem should appear in which media and in which countries? On the one hand, the ECB president could appear on all respectable national news shows with captions and could grant many more interviews to respected newspapers and magazines. On the other hand, the lack of European "icons" in the present could be remedied by looking into the past. Why not let historic European figures such as Julius Caesar or Marie Curie promote the euro? This would not only be cheaper, but also less risky since the dead cannot go astray and therefore cannot jeopardise the central bank's credibility. The possible damage by living "icons" is the higher, the more they are related to the Central Bank itself – as the German Welteke affair in

spring 2004 impressively demonstrated for the Deutsche Bundesbank. This affair also showed that perfect conduct by senior ESCB representatives is vital to the public reputation of the institution as a whole.

Sixthly, it is argued that the rivalry between politicians and central bankers sets narrow bounds to the communication functions of the ECB. Since European politicians had already given away power over monetary policy they would be reluctant to suffer from intense public appearances by central bankers. This argument is hard to invalidate. The important role of national and personal vanity, particularly in top-level positions, can easily be understood by looking at the unworthy political discussions concerning the staffing of the ECB executive board.

The seventh objection states that the deutschmark was successful without any marketing efforts and that marketing in general applies more to detergents than to a currency. However, the deutschmark was introduced at a time incomparable to today's media world. Besides, successful marketing distinguishes itself by going practically unnoticed by consumers. Many economists who fight marketing for not being serious would probably be impressed if they realised how much they are influenced by it.

Finally, the effort to reach all target groups is said not to pay. For example, even if German women over the age of 65 are particularly sceptical towards the euro, the chances of convincing them are low. This cost-benefit view is correct in general but it should not be used to exclude large parts of the population as is the case today.

## Conclusion

The European Central Bank has communicated its monetary policy strategy with varying success. Experts, i.e. financial markets and economists, have largely understood the strategy and trust the ECB. The general public, however, is poorly informed and still very sceptical towards the euro. The central bankers could therefore improve communication with the EU population by euro branding. In future, the mainly factual information should be supplemented by emotional messages and more direct presence in the media. A high level of public acceptance of the euro is the best guarantee for politics' not abolishing the independence of the ECB as well as its price stability objective. It is not too late for this!

<sup>24</sup> "Leben Sie. Wir kümmern uns um die Details." Translation by the author.