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TECHNOLOGY AS A CUTTING EDGE TOOL IN CORPORATE COMMUNICATIONS – CREATING POWER BRANDS THROUGH THE INTERNET

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Abstract

Electronic commerce is giving rise to new brand opportunities, along with new challenges. It is rather myopic to regard the opportunities as being solely enhanced sales and profi, since it is important to appreciate how these are achieved. This paper explores how increased sales and profit comes through new forms of customer behaviour and revised business models. The paper also considers how branding principles can be used to help brands marketed on the Internet. It opens by considering the new mindset that managers need to acquire while developing Internet-based brand strategies. It argues that the brand concept is the same as that in any other medium, though the enactment is different. A framework is presented to appreciate the elements of the brand's on-line experience. The opportunity to develop more powerful brands through building genuine relationships, tailoring and greater interactivity are reviewed. Some of the Internet challenges, and approaches to circumvent these and in particular the shift of power, comparison-shopping, pricing and service are explored. The paper concludes by considering the need for more loosely controlled brands on the Internet. Moving to the virtual environment enhances performance from listening to communities rather than telling customers; recognizing that communities co-create brand value, rather than passively consuming brands; becoming more community focused and rapidly responding to new suggestions; relaxing control over brands. Brands that have succeeded on the Internet, be they traditionally based bricks and mortar brands or 'pure' Internet brands, for example, Amazon, Google and Yahoo, have thrived because they view the Internet as a force that levels imbalanced playing fields to favour customers. These brands are based on revised business models, significantly improving the value equation through greater customer interactivity, enhanced consumer experiences, tailoring and rapid responses. Furthermore, successful brands on the Internet show commitment to web-based branding and they take a long-term view about brand building. The above issues are addressed in this paper elaborately through data based on secondary research.

Introduction

Internet as a branding tool: In the early days of Internet-based branding, an opportunistic marketer may regard branding as providing copious brand details, that is, brand as data center. In their over zealous attempts to provide brand data, they regard branding as something they do to a visitor. If their brand is to thrive, the poor experience visitors receive needs transforming, leading to a more customer-centric approach whereby customers can search the site to get more tailored information (e.g. train timings from Railtrack.com). However, the focus is primarily upon information albeit tailored and is typically characterized by marketers wanting to be in control. Eventually organizations recognize that the Internet is not a passive medium that acts as a conduit for information. Rather it is a dynamic environment that celebrates customer involvement in an experience with both a brand and a community interested in the brand.

While migrating a brand to the Internet, the organization needs to recognize that any promised experience hinges on stakeholders' knowledge of the brand's history. The promised brand experience through the Internet presupposes that consumers are co-creators of the brand experience. For example, Weight Watchers, through their brand promise of

helping slimming, would appear to have support and accountability as two of its brand values. In the bricks and mortar environment, this brand promise is delivered, among other ways, by having regular supportive group meetings with 'weigh-ins'. While migrating this brand to the Internet (www.weightwatchers.co.uk), the brand values and brand promise remain similar but the brand enactment has changed. In terms of guided eating, subscribers have access to a database which assign points against different types of food to facilitate diet tracking.

Importance of on-line brand experience

The way a visitor draws an inference about a brand on-line is different from the off-line environment where conventional factors such as staff and the store environment have a notable impact. For example, one of the rational values underpinning the brand promise is convenience. But the speed with which the brand's site is downloaded is slow and navigation of the site is difficult. It is important to recognize that the brand experience is not just assessed on the content of a site but rather through an amalgam of the elements each of which is discussed below:

Locating the brand and speed of download: The first challenge facing potential visitors is that of locating the brand on the Internet. Their task might have been facilitated if there had been a link between the site they are currently using and the new brand, referred to as affiliate marketing. This is a strategy employed by Amazon to get more visitors to their site. In the case of linked brand sites, visitors may draw some inference about site similarities, however trivial they may be. It is therefore wise for brand marketers to have a sound rationale for linkages, rather than being just driven by the opportunism of further sales. Furthermore, some thought is required for bridging between the two sites. For example, if a visitor was on a site that reinforced the values of restfulness and clicked through to a noisy, vibrant site, this marked difference might taint their brand perceptions.

Site appearance: The site's appearance introduces the viewers to the brand's promised experience. First appearances are important as visitors are rapidly scanning to decide whether to continue. At this point it is worth considering the extent to which the home page extends a warm welcome, with a notable emphasis on greeting the visitor, or whether it jumps to being company centered and is inclined towards transmitting information. As the mouse moves around the screen, chance movements over particular areas that prompt new pictures can prove overwhelming. The style of writing, the 'tone of voice' and the initial colour give clues about the brand's character. For example, the presentation and style of the homeopathic medicine brand ThinkNatural.com communicates that this is not like a doctor or pharmacist providing cold, factual information. Rather it is about a friend introducing new things and always having something interesting to talk about.

Navigation: Navigating the site provides a further array of clues about the brand. As a respondent states, 'its like you're alone and you are exploring a strange city without a map'. You seem to have been stuck on ring road forever. This comment may ring true with some reader's attempts to navigate around a brand's site. Research can prove invaluable here to understand not only what visitors think of the directional guides on a brand's site but also the informational pathways visitors would have expected to follow.

Differential reward: The brand's team should consider why someone would want to use their web-based brand rather than have an off-line interaction. Hence the need for differential rewards. Some brands take advantage of the Internet to augment their brands. For example, a car dealer is primarily able to advise about a car's characteristics or servicing issues. Within their on-line site, mini.co.uk, visitors can configure the type of car they would like by observing the car from

different angles and then see how much it costs. Enabling the on-line brand to be co-created by visitors is an increasingly important aspect of the enactment of the brand's promise. For example, Dell's on-line brand (Dell.co.uk) enables a visitor to 'build' their own computer and at each stage to learn about the price. This way they can decide when to trade off enhanced features against increased prices.

Personal support: The personal support component of the brand recognizes that visitors use several channels to make a decision. For example, on-line brand sites of several hotels provide details about availability and prices for one, two and four bedroom accommodation. However, for the three-person family seeking a room, this is not particularly helpful. By having a central telephone line that can be contacted twenty-four hours a day, a visitor can be helped to make his decision. Following through the Dell.co.uk example, there is access to a person in technical support if a potential consumer is unsure about how best to configure his potential computer. When an e-mail contact help line is available, rather than a customer service employee, it should be recognized that it takes a visitor a few minutes to pose an electronic question but a reply can sometimes take hours or even days. Organizations therefore need to build a prompt response into their systems.

Physical delivery and returns: Physical delivery is another area where the brand's promise is tested. Some on-line brands have had considerable investment in their sites, with less thought about the logistic system to facilitate physical distribution. In addition, organizations need to consider how the delivery representative interacts with the consumer. As another moment of truth, which enables users to assess a brand, there is scope for competitive advantage by ensuring that the delivery staff is aware of the value of the brand being delivered because the process of delivery also reinforces the brand. In case of problems with the brand, there needs to be convenient ways available for buyers to return the brand.

Benefits of Internet branding

The Internet is both an opportunity and also a threat for brands. This section will focus on the golden opportunities for brands, before moving on to consider some of the threats. While there are numerous opportunities, these will be addressed under the headings of relationship building, better tailored offerings and greater interactivity.

Building genuine relationships : One of the factors contributing to Amazon's success is their use of consumer purchasing data. By recording individuals' purchasing behaviour, Amazon has been developing models of buying behaviour. They use these models to build relationships with consumers. For example, they alert consumers about newly published books that could be of relevance to them and also draw their attention to books that other readers with similar interests had bought. Brands that thrive on the Internet do not put such emphasis on telling customers. If firms are to succeed through stronger relationships, they need to build an understanding of their visitors. This could be through on-line surveys on their sites. It should be recognized that customers are aware of the value of information and are becoming reticent about giving this away without a benefit.

Better tailored offerings: The Internet is drawing marketer's attention away from the idea of mass segmented markets to targeting smaller number of individuals. For example, Procter & Gamble created Reflect.com as a tailored approach to marketing their competencies in toiletries and cosmetics. The brand has this novel site to enable an individual to create his own brand which best matches his taste. When the visitor gets onto this on-line brand, he is offered a number of categories and he might select a shampoo. They then answer questions about their hair and the most suitable

formulation of hair shampoo is then recommended. The next stage involves the user designing a container that best suits him. Successful branding also necessitates marketers designing their sites in such a way that consumers recognize the brand's values and thus they recognize the limits within which the brand could evolve.

Greater interactivity: Related to the previous issue, people using the Internet do not envisage being in the passive mode that characterizes their involvement with television advertisements. Instead, they expect to follow a journey whose path emerges from the discourse they establish with the brand's web site. They envisage being given options, making decisions and through their interactions with the brand, form opinions about its character. For example, a consumer could visit a store selling paints and begin to appreciate the variety of colours they could use to paint a room. Their ideas might be reinforced through press advertisements, or seeing other people's rooms. However, there remains a small degree of doubt in a person's mind about which might be the best colour. Dulux (dulux.co.uk) have developed the Mouse Painter to help make the choice easier. People are able to enter virtual rooms, paint different walls in various colours, with different lights and with different coloured furniture present in the room.

The challenges facing brands on the Internet

There are numerous challenges that brands face on the Internet and this section will consider some of these under the headings of shifting power, comparison-shopping, pricing and service.

Shifting power: As Dussart (2001) has shown, the balance of power is beginning to swing away from distributors and manufacturers to customers. Through the wider dissemination of information and reduced search costs, consumers are in a better position to signal their discontent about the way organizations deal with them and demand new responses. Informediaries are emerging who are acting as spokespersons for consumers. Their new line of marketing is akin to 'I have a very large number of people interested in buying brands in the category'. Forward thinking organizations are responding to the growth of consumer participation by devising channels that facilitate brand selling and purchasing. For example, auction sites are emerging which enable consumers to exchange brands with each other. While this shift of power towards consumers will necessitate new ways of marketing brands, it does not signal the death of brands. Customers are more cautious on the Internet. Only brands, which have created trust, will be more warmly considered by consumers as they represent guarantees about issues such as quality, reliability or consistency.

Comparison-shopping : Brands are evolving which, as the consumer's guardian, are able to search out brand information and undertake comparison-shopping. These new comparison brands gain consumers' trust when they establish themselves as being independent and reputable. A powerful route to winning trust is to have high quality editorial content, preferably written by independent teams of writers. Blocking requests for information could damage goodwill, since a reluctance to supply information may be noted by the inquiring brand and the position of this response may lead potential purchasers to wonder whether they wish to deal with a secretive organization.

Pricing: As previous sections have explained, the Internet makes price comparisons easier. Price comparison sites, such as Pricescan.com, rapidly compare the prices and brand characteristics of a wide variety of categories. Aaker (2000) argues that the resultant cost transparency can damage brands' reputations through perception of having been treated unfairly once buyers learn more about prices. With the advent of sites such as Priceline.co.uk and ebay.co.uk, consumers have begun to consider brands as being open to negotiation. In addition, as buyers had to state

the price they are willing to pay for an item, when they are granted this price they may try for a lower price next time.

Service : It is not infrequent to find organizations developing web sites for their brands that assume consumers' questions which could be adequately answered by the Internet. Many customers want to talk through a question, yet there is not always a telephone number to call. In such instances many consumers find it easier to click through to a competitor's brand. By looking at a brand's web site through the consumer's eyes, the limitations of a single channel for customer service can be appreciated. Zawada (2001) identifies some of the characteristics of good e-service as being:

- Websites that meet consumers' expectations about rapid responses to their e-mails
- Relevant information that facilitates consumers tasks
- Tracking of order
- Ease of personalizing options provided by brands
- Effective fulfillment and delivery
- Taking the lead and informing consumers of new developments, rather than waiting for consumers to find out about these developments.

Conclusion

As organizations become more confident with branding on the Internet, their strategies are less likely to be just about providing considerable information for visitors, but rather involving them in a desired experience and treating them as a trusted partner. The rational, functional characteristics of the brand will have formed solid foundations, enabling management to develop more tailored experiences that reflect unique emotional and rational values. The coherence of the brand can be assessed from the extent to which its brand triangle is reflected in the experience visitors have. This involves assessing factors such as the ease of locating the brand and speed of download, site appearance, navigation, differential reward, personal support and physical delivery / returns. The Internet represents opportunity for brands, in particular by building genuine relationships and better tailored offerings through greater interactivity. There are also challenges. Power is gradually shifting towards consumers, but for those organizations that are consumer centric, this does not pose any problem. The implications are that there needs to be more emphasis on listening and rapidly responding to conversations. Successful Internet branding will be characterized by relaxing control over brands. Through enabling community members to recognize the brand's values, they can sense when some of their innovative suggestions might unacceptably stretch the brand.

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