

Summary of Branding Forum

Location: Compaq Computer Corporation, Cupertino, CA

Theme: Branding and the Internet

Date: May 18, 2000

The meeting began with welcoming the attendees and a brief review of the objectives and format of the forum.

Panel member introduction:

Buford Barr

27+ years of marketing and brand management in corporations and advertising agencies. Currently teaches marketing and branding at the undergraduate and graduate level at Santa Clara University, San Jose State Univ., and UC Berkeley Extension.

Doug Howatt

Senior Director of Corporate Marketing at Maxtor Corp. Previously, a director of corporate marketing and branding at Quantum Corporation. Also worked in marketing at Acuson and Sun Microsystems. Worked as a Senior VP at TFB/BBDO.

Joseph Newfield

Creative Director at Agency.com for the past two years
Previously worked at Ketchum Interactive, FCB Impact, and CKS.

Topic Discussion Questions:

What unique opportunities does the Internet provide for building a brand?

What pitfalls should you look out for?

Buford - The Internet is global and instantaneous. You have product place and promotion all in one place. But, it's like television in the 50's ñ people were enamored with the medium more than the content. The speed and power of the medium creates great opportunities for the "accidental brand". Branding on the Internet must be supported by integrated marketing communications. The success of the brand depends on performance over time.

Doug - The Internet is just another tool in the toolbox ñ a heavy-duty power tool. It allows you to have an inbound customer experience and an outbound marketing experience in one place. One of the greatest pitfalls is the customer expectation of the experience versus what the company can provide. Customers expect a true one-on-one experience and finite resources don't allow companies to provide that kind of attention for their audiences.

Joseph - The Internet is an excellent environment for building relationships because of its interactivity. Joseph drew a chart that showed the touch points for companies with their customers. It showed four stages: Assertion, Demonstration, Transaction, Services along the bottom of the chart and up the side it showed relative effectiveness. With traditional advertising the curve started at highly effective for assertion and went downward as it moved toward services. With internet advertising the curve was reversed, starting at low effectiveness for assertion but climbing up to highly effective for services.

The open discussion on this topic was lengthy and addressed more pitfalls than opportunities. Some key points were:

The greatest feature of the Internet when it comes to branding is the speed at which messages can reach vast audiences.

The greatest pitfall of the Internet when it comes to branding is the speed at which messages can reach vast audiences.

You can build a brand or damage a brand very quickly. The damage always seems to happen faster.

Many companies are using advertising to drive audiences to the corporate website. What they should be doing is driving people to the company. The Internet is not an end-all, be-all.

The idea of “internet time” is a very dangerous concept. The lure of fast and vast exposure causes many companies to throw planning and strategy out the window, and it always comes back to bite them.

There was a discussion of Amazon.com as an Internet-branded company. It was suggested that they have no attributes associated with them. It's most recognizable attribute may be its stock price. This brought us back to the point that brands are built by performance over time, and Amazon.com has not had enough time to develop strong attributes.

One person mentioned that they liked the way they were greeted by name when they logged on to Amazon.com. Another person said that he was impressed that while he was searching for The Anarchist's Cookbook, a window popped up telling him that someone was selling poison darts on Amazon's auction site. It was suggested that Amazon actually does have some brand attributes: personal care and service

We did agree that Amazon.com's brand was still a little weak, partially due to the fact that they have redefined themselves. They started out as an online bookstore and now they're a site for all kinds of e-commerce.

Another point made was the concept of source effect and the Internet. In traditional advertising source effect is very clear, but on the Internet there is little or none.

An example of source effect was that ads placed in Sports Illustrated usually relate to sports or sport fans. And if you are watching Nickelodeon TV, you can expect certain types of ads. It was argued that the Internet doesn't provide clearly bounded environments for advertising like other media.

Timing is a big issue with branding on the Internet. The risks of jumping in too soon, without the proper planning are tremendous, but the loss of potential customers for every day of hesitation is also large. How do you decide when the time is right to start developing an Internet presence?

Buford - Branding is about developing emotional attributes for your company in the minds of your audiences. It's about building loyalty over time. Those words “OVER TIME” are crucial. Too often people are rushing onto the Internet without knowing what they are doing.

Doug - Speed needs to be balanced with expertise. The faster you go, the more expertise you need. If you have a large team of people who are branding experts and have a profound understanding of the Internet, then you can move very fast.

The Internet allows you to get some marketing and branding programs going very fast. SOME programs. Others take more time for planning and strategy. The smaller, targeted programs can be very effective if they're done well.

Joseph - 2 and 3 years ago Joseph saw a lot of people that didn't care what their website looked like. They just wanted to get something up there so they could receive their next round of funding. People are starting to realize that shooting from the hip when you develop an internet presence gets you nowhere.

Group discussion:

There was general agreement that speed should be balanced with proper planning and resources. A question was directed to the panel: If you do all the proper planning and launch a website that seems to reflect your corporate brand, how do you know if it has been successful?

The answer was that good measurement begins in the planning phase. You look at where you are now, where you want to be, and then figure out how you will know when you're there? Then you know what to measure.

You may look at increased sales, focus groups, surveys, as well as tracking software for the Internet.

Joseph mentioned that Agency.com uses brand drivers to help measure the success of brand efforts. Brand drivers are attributes that customers would look for in a company on the Internet. For example, a company might have accessibility and innovation as brand drivers. These brand drivers would be used in research to measure effectiveness of efforts.

Nordstrom was mentioned as a company that went too fast in developing a web presence. The Nordstrom name has come to mean customer service after years of building that reputation in their stores. However, on the Internet the experience is just the opposite. They don't seem to care at all about their customers. If they don't fix it quickly, Nordstrom's internet site could erode their brand.

What is the difference between a company with no brand equity developing a brand presence and a company with well-established brand equity?

The Nordstrom Internet site continued to take a beating under this topic.

Buford - The difference is this customer perspective:

If I don't know you, I don't trust you. And I'm not going to buy anything from someone I don't trust. A company with a strong brand has the trust of their customers, and it's theirs to lose on the Internet. A company with little or no brand equity has to build a reputation of trust and that means consistent performance over time.

Doug - The challenge is much more complex for a well-branded company, but the payoff is bigger. Doug talked about his experience with Nike as an example of an established brand that missed the mark on its Internet presence. He's been a loyal Nike customer for years and tried to buy a pair of running shoes from their website. He said he had to dig through so many levels of ads promoting the Nike attitude that he gave up trying to find a pair of shoes. They spent so much effort on selling their intangible brand attributes that they failed to sell their product.

Joseph - Both types of companies have to have a plan that can grow, that has some vision behind it. The unbranded companies have to move faster, though, because they need to establish a presence on the Internet just to survive in many cases. The more developed brands need to be more careful about the way they approach the Internet because they have more to lose.

Group discussion:

Question to Joseph:

If you have to get a website up relatively fast, what are the key elements you should focus on?

Answer: Usability. But you should first make sure you understand why you are building a website. If you have to get a site up quickly, make it simple and small, but mostly, easy to use.

The discussion on this topic was brief because we reached our two-hour limit.

It was a great meeting with interesting discussion. I assure you my summary does not reflect the liveliness of the discussion. Our next meeting will even be better.

The next meeting will be in September in ?.

Details will follow.

Those of you who attended the meeting, thank you for sharing your time and thoughts and your passion for branding. For those of you who were unable to attend, we look forward to seeing you at the next forum.