



Chapter 6

Market Communications and Branding

Communications and Branding

- **The four categories of market communications?**
- **What constitutes a good brand?**
- **The 10-step branding process?**
- **How does online branding compare between American Airlines and Continental Airlines?**
- **What are the arguments for and against leveraging an offline brand into the online environment?**

- **Branding** is about consumer's perception of the offering—how it performs, how it looks, how it makes one feel, and what messages it sends
- **Market communications** represent customers' interaction with the brand and, more generally, mass-marketing approaches
 - In the offline world they tend to be one-way, from the firm to the customer
 - In the online world they become much more interactive (two-way)

The Customer Decision Process and Market Communications

- **Decision stages of the buying process:**
 - Brand awareness **and** product consideration
 - communicated through television ads, general interest magazines, web banners
 - Product preference
 - fostered through niche magazines and company websites
 - Purchase decisions
 - triggered by point-of-sale promotions, direct marketing, daily specials, sweepstakes, and first-time order incentives
 - Brand loyalty
 - developed through product experience, buyer's clubs, e-mail alerts, newsletters

Evolution of Customer Buying Process



But – aren't many of those “traditional” methods also available online?

Four Categories of Market Communications⁶⁻⁶

- **Market communications refers to all the points of contact that the firm has with its customers:**
 - **General online communications**
 - **Personalized online communications**
 - **Traditional mass media communications**
 - **Direct communications**

Four Categories of Communications

Offline

Online

Direct

- Salesforce
- Direct mail
- Telemarketing
- Customer service reps

Personalized

- Personalized permission e-mail
- Personalized recommendations
- Personalized advertisements
- Personalized webpages
- Personalized e-commerce

Traditional Mass Marketing

- Television
- Radio
- Print
- Billboards

General Online Approaches

- Banner ads
- E-mail
- Viral marketing
- Portal sponsorship/exclusive agreements
- Associate programs
- Online and offline partnerships
- Customer information
- Online transactions

Individual

Broad

General Online Communications

- **Banner ads**
 - **box-like, graphical ads displaying a simple message designed to entice viewers to click the ad**
- **Unsolicited e-mail advertising**
 - **extensively used by Cyber Promotions**
- **Viral marketing**
 - **when awareness about company-specific products, services, or information is passed from user to user**
- **Sponsorship and exclusive partner agreements**
- **Affiliate programs**
 - **arrangements where a particular site directs a user to an e-commerce site receiving a commission on sales generated with that user**

Personalized Online Communications.

- **Transactions on the Web provide companies with detailed information on their customers**
 - **Personalized Permission e-Mail**
 - customers volunteering information regarding their on-line interests and preferences in exchange for some offered benefit
 - **Personalized recommendations**
 - specific merchandise recommendations for each user based on past purchases, site pages viewed, and survey information that the user has provided
 - **Personalized advertisements**
 - provide a customer with dynamically updated personalized ads
 - **Personalized web pages**
 - many portals and e-commerce sites allow users to create their own, encouraging users to return more often and increasing the user's familiarity with the site

Traditional Mass Media Communications

- **Television**

- many online companies find that television, while expensive, can provide a critical exposure to large audiences and generate explosive growth in customer base (Monster.com)

- **Radio**

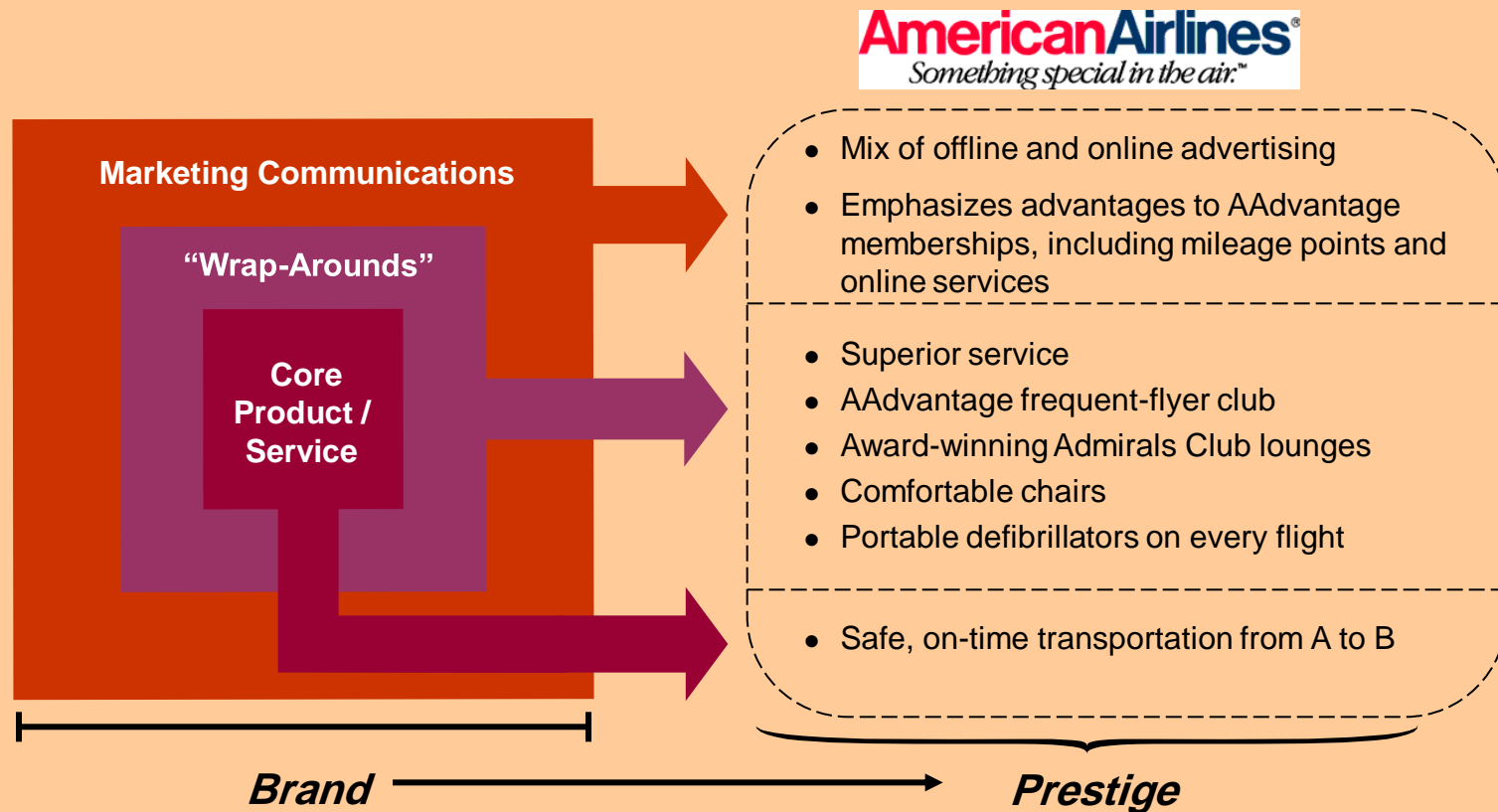
- In 1999, Priceline.com management allocated two-thirds of its \$60 million marketing budget to radio and claimed that it was the most effective medium for reaching potential customers

- **Sales representatives**
 - **when properly managed, the Web can lead to the increased effectiveness of sales representatives, rather than making them obsolete**
- **Direct marketing**
 - **with the new information gained online, e-commerce companies are able to better target and customize conventional direct marketing mailings**

What is a “Good” Brand

- **According to the American Marketing Association, a brand is**
 - **a name, term, sign, symbol, design, or a combination of them**
 - **intended to identify the goods and services of one seller or group of sellers and to**
 - **differentiate them from those of competition**
- **A good brand provides positive consumer responses and benefits target customers as well as the firm**

What Is a Good Brand?

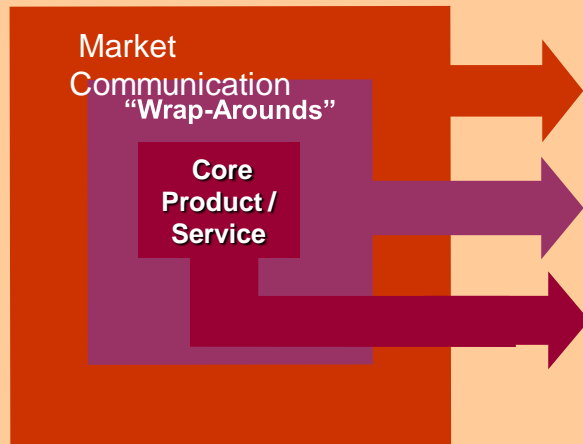


A Conceptual Model of Brand Equity

A good brand...

... provides positive
consumer responses...

... and benefits both target
customers and the firm



BRAND AWARENESS

- Depth
- Breadth

BRAND ASSOCIATIONS

- Strength
 - Relevant
 - Consistent
- Valence
- Uniqueness
 - Memorable
 - Distinctive

CUSTOMER BENEFITS

- Confidence
- Loyalty
- Satisfaction

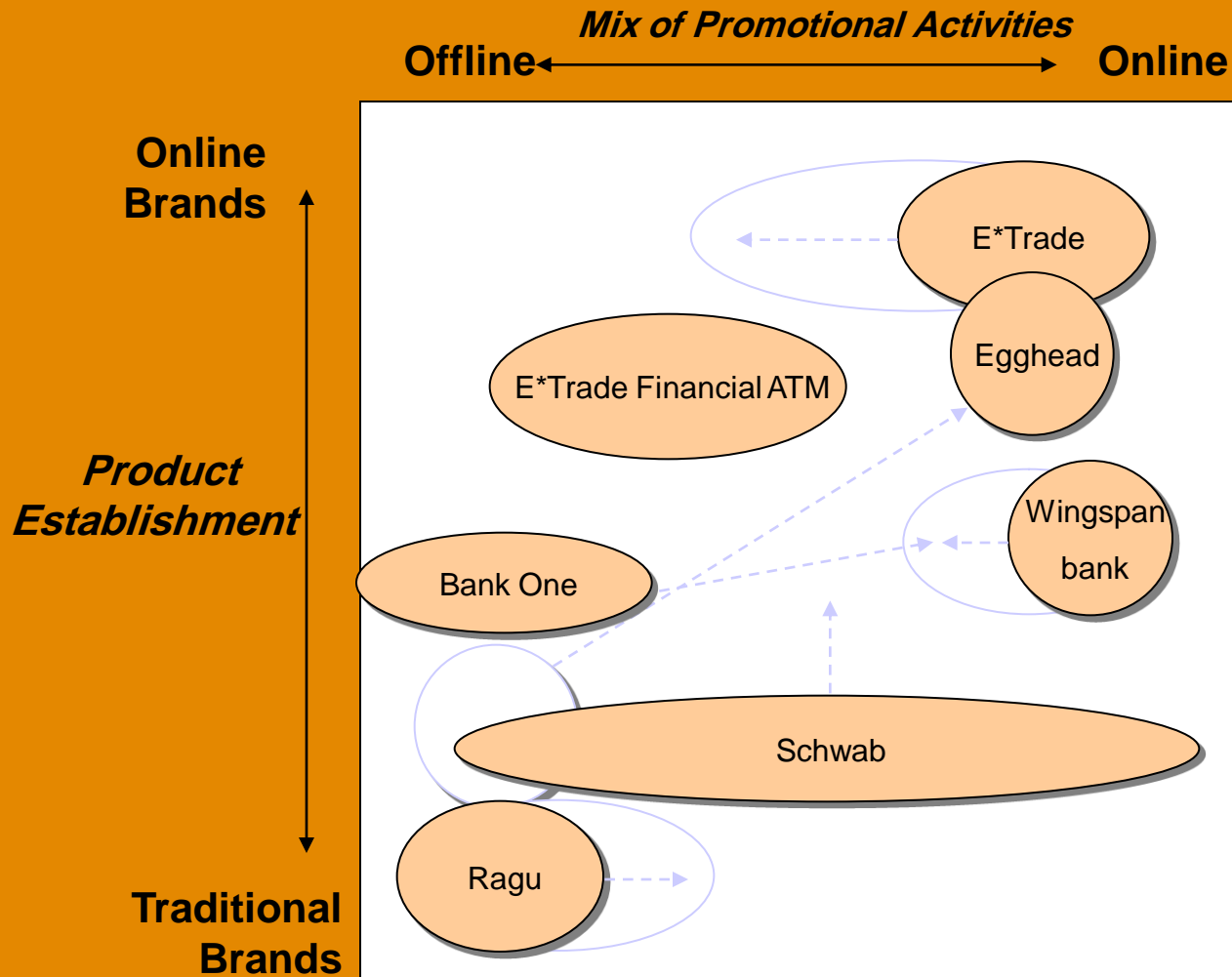
FIRM BENEFITS

- Reduce marketing costs
- Increased margins
- Opportunity for brand extensions

Types of Brands

- **Pure offline and online brands**
 - Classic offline brands include the Gap, UPS, and Disney
 - New online brands include Amazon, Yahoo, and Priceline
- **Blurring of the distinction**
 - Brands like Yahoo were established online but use offline promotional activities to grow brand awareness
 - Brands like Ragu were established offline but use online promotion to grow brand awareness
 - Brands like E *Trade are traditional brands, but they are extensions of the online brands—thus a mixture of the two
 - Brands like Egghead.com have completely shifted from an offline brand to a purely online brand
 - Brands like WingspanBank were established in the virtual world but by a traditional brand
 - Brands like Schwab have successfully bridged the gap between online and offline activities

Brand Presence



Similarities and Differences Offline Vs. Online Branding

Branding Element	Offline	Online
1. Clearly define the brand audience	<ul style="list-style-type: none">Limited to manageable number of segments to prevent inconsistent messaging	<ul style="list-style-type: none">Could include larger number of segments, with customer-driven messages
2. Understand the customer	<ul style="list-style-type: none">Requires understanding of environment, desired purchase, and usage experience	<ul style="list-style-type: none">Requires more thorough understanding of desired purchase and usage experience in an interactive environment
3. Identify key leverage points in customer experience	<ul style="list-style-type: none">Buying process is typically a simplified representation of customer segment behavior with static leverage points	<ul style="list-style-type: none">Buying process tends to be more dynamic and flexible
4. Continually monitor competitors	<ul style="list-style-type: none">Requires monitoring of competitor advertisements & activities	<ul style="list-style-type: none">Competitor advertisements & activities can be monitored online
5. Design compelling and complete brand intent	<ul style="list-style-type: none">Brand intent (desired positioning) is designed to address the needs and beliefs of target segments	<ul style="list-style-type: none">Greater opportunity for customization of key messages

Similarities and Differences Offline Vs. Online Branding

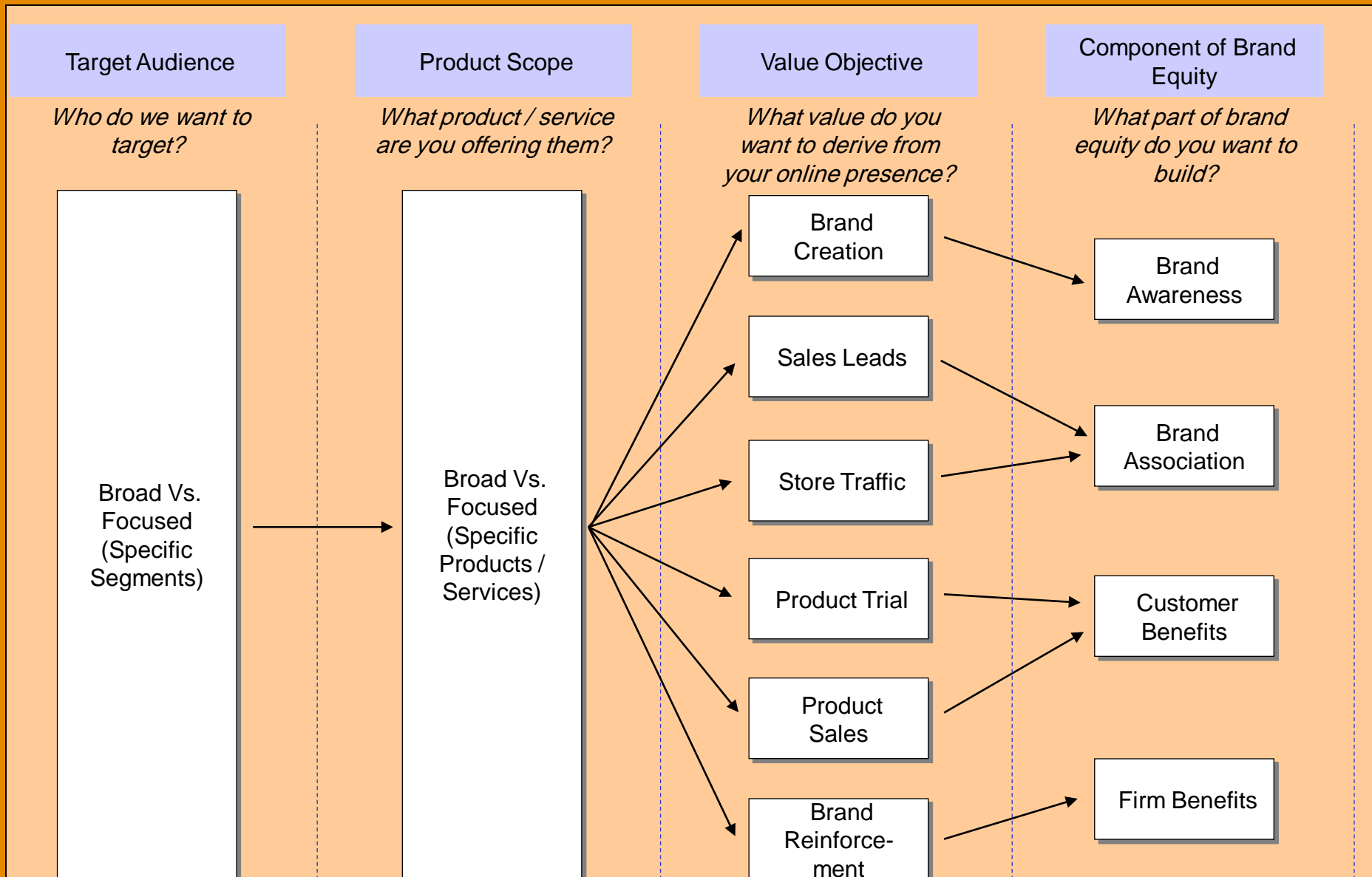
Branding Element	Off-line	On-line
6. Execute with integrity	<ul style="list-style-type: none"> Strong, positive brands are built up over time 	<ul style="list-style-type: none"> Online interactions bring in added concerns of security & privacy Limited familiarity with online brands makes fostering trust more difficult
7. Be consistent over time	<ul style="list-style-type: none"> Brand intent guides marketing communications Image reinforced through variety of offline media 	<ul style="list-style-type: none"> Brand intent guides marketing communications With the ability to customize, one customer's brand image may be different than another customer's brand image
8. Establish feedback systems	<ul style="list-style-type: none"> Collecting and analyzing customer feedback is more time-consuming 	<ul style="list-style-type: none"> Sophisticated tools exist for tracking online; allows for anonymous, interactive, quick feedback
9. Be opportunistic	<ul style="list-style-type: none"> Marketing strategy includes plan for sequenced growth and adjustment of brand based on changing customer needs 	<ul style="list-style-type: none"> Customization for multiple segments and opportunity for early recognition of changing customer needs Corresponding tailoring of brand intent
10. Invest and be patient	<ul style="list-style-type: none"> Building brand awareness requires significant investment Building brand loyalty takes time offline, especially because early customer receptivity to brands is difficult to assess (and usually involves market research) 	<ul style="list-style-type: none"> Building brand awareness requires significant investment, especially for competitors who are not first in their category online Brands have the potential to generate loyalty more quickly, especially if customers are targeted effectively

Successful Online Branding: B2B and B2C

6-19

	Established as Traditional Brand		Established as Online Brand	
	Branding Online	Branding and Selling Online	Intermediary / Vertical Portal	E-commerce
Business to Consumer	Ragu	American Airlines	Monster.com	CDNow
Business to Business	FedEx	Cisco Systems	WebMD	eRoom

Online Branding Choices



Case Study: MarketWatch.com

- **General online approaches**
 - **Advertises on sites with broad reach, such as Yahoo, Lycos, and Excite**
 - **Is a recommended link on the CBS site and the sites of CBS partners**
 - **Premier provider of business and financial news for AOL's Personal Finance channel**
 - **Has a content-licensing agreement with online brokers like E*Trade and Fidelity.com**
 - **In addition to agreements with other parties, MarketWatch.com offers the majority of its content and tools for free, encouraging users to explore the site and to return to it regularly**

Case Study: MarketWatch.com

- **Traditional mass marketing media**
 - Features its own weekly show *CBS MarketWatch Weekend*
 - Provides content for popular CBS News programs such as the *Early Show*, *CBS Evening News* and *CBS NewsPath*
 - Contributes content that is aired through the Westwood One radio syndication company (154 stations, including the top 10 markets in the nation , with a reach of 11.5 million unduplicated listeners each week)
 - Provides financial content to newspapers, such as the *Daily News Express*

Marketing Communications

<p>Individualized</p>	<p style="text-align: center;"><u>Direct</u></p>	<p>Broad</p>	<p style="text-align: center;"><u>Personalized</u></p> <ul style="list-style-type: none"> ▪ Permission marketing e-mails sent to groups from opt-in lists
	<p style="text-align: center;"><u>Traditional Mass Marketing</u></p> <p>Television</p> <ul style="list-style-type: none"> - Advertising on CBS - Mentions and scrolls during CBS shows - <i>CBS MarketWatch Weekend</i> - Contributions to CBS NewsPath <p>Outdoor Advertising</p> <ul style="list-style-type: none"> - Outdoor placards - Bus advertisements in target cities <p>Radio</p> <ul style="list-style-type: none"> - Contributions to Westwood One Network - Spots during NFL radio broadcasts - Mentions on CBS-owned and operated radio stations <p>Print</p> <ul style="list-style-type: none"> - Limited ads in trade journals <p>Conferences</p> <ul style="list-style-type: none"> - Participation in online finance, online journalism, and Internet-related conferences 		<p style="text-align: center;"><u>General Approaches</u></p> <ul style="list-style-type: none"> ▪ Advertising on heavily-trafficked websites (e.g., Yahoo, AOL) ▪ Licensing content to industry-leading financial organizations (e.g., Wall Street Journal Interactive) ▪ Strategic distribution relationships (e.g. Yahoo, AOL, Quicken.com) ▪ Advertising on CBS site and other CBS Internet partners (e.g., CBS SportsLine, CBS HealthWatch) ▪ Advertisements on targeted sites (e.g. other online financial sites) ▪ Free information onsite

Offline

Communication Needs





Online






MarketWatch.com: Assessment of Key Branding Elements

		<i>MarketWatch.com</i>	
Key Elements	Rating	Rationale	
Clearly Define the Brand Audience		Three target groups cover a wide range of the population: savvy investors, financial information seekers, and “dabblers” (users with little financial knowledge)	
Understand the Customer		Understands the different needs of savvy investors versus less sophisticated investors and provides offerings accordingly	
Identify Key Leverage Points in Customer Experience		Focuses primarily on providing breaking news and analysis, rather than enabling investors to make transactions Has developed a community that shares knowledge and encourages frequent returns to the site	
Continually Monitor Competitors		Continuously tracks studies on demographics, behavior, and brand awareness of its users versus competition	
Design Compelling and Complete Brand Intent		Message of “Get the Story Behind the Numbers” captures most of the value offered to users—relevant and in-depth financial information and analysis; it does not fully capture the tools and education that the site offers	
Execute with Integrity		The message of the CBS MarketWatch.com brand is trustworthiness; its credibility is enhanced by the association with the CBS News brand name and its staff of over 70 experienced journalists and editors	
Be Consistent Over Time		Initial branding message was “Your eye on the market” but was switched to “Get the story behind the numbers” in 1999; the new message was designed to appeal to a broader user group	
Establish Feedback Systems		Rigorously tested site and message effectiveness with focus groups halfway through the new marketing message campaign, at a time when the market was in turmoil; results were highly positive	
Be Opportunistic		Establishing CBS MarketWatch brand over a number of different media, including Web, TV, radio, print, and wireless	
Invest and Be Patient		Investing a large percentage of the company budget to sales and marketing activities—patiently waiting to become profitable, even with a market that currently demands profitability	

= Very Low
 = Low
 = Moderate
 = High
 = Very High

MarketWatch.com: Assessment of Key Brand Attributes

<i>MarketWatch.com</i>		
Key Attributes	Rating	Rationale
1. Relevant		Directly addresses the needs of different user groups. For savvy investors: provides real-time quotes, in-depth analysis and tools. For financial information seekers and users new to financial concepts: provides headline news and analysis as well as education tools.
2. Distinct		Brand message "Get the story behind the numbers" is distinct from competitor messages. It focuses on the unique MarketWatch.com capability of providing new-to-the-world, relevant, in-depth content.
3. Consistent		The initial brand message was "Your eye on the market." This changed to "Get the story behind the numbers." The intent was to appeal to a wider group of users, shifting the focus toward less sophisticated investors and people new to financial information. The main offering message of providing quality market analysis has remained relatively consistent.
4. Memorable		The MarketWatch.com brand message is highly memorable. Early on this was aided by memorable TV advertisements, which started with a market result and traced it back to the unlikely events that led to it. As a result of that campaign, the CBS MarketWatch brand rose 10 points in aided awareness in one year.

 = Very Low
  = Low
  = Moderate
  = High
  = Very High

Case Study: American Airlines

- **First to have a service-oriented website (May 1995)**
- **First to launch an e-mail service of discounted fares, Net SAAver Fares (March 1996)**
- **First to offer real-time flight information (Spring 1996)**
- **First to offer flight information on competitors (Spring 1996)**
- **First to offer airline reservations online (June 1996)**
- **First to offer paperless upgrade coupons and stickers (Spring 1997)**
- **First to send e-mail confirmation of itinerary and ticket purchase (Fall 1997)**
- **First to offer high personalization for consumers (June 1998)**
- **First airline to partner with AOL to create AOL AAdvantage Rewards Program (Fall 2000)**

American Airlines vs. Continental Airlines: Assessment of Key Branding Elements









American Airlines

Continental

Key Elements	Rating	Rationale	Rating	Rationale
1. Clearly Define the Brand Audience		<ul style="list-style-type: none"> Targets AAdvantage members—highly profitable and loyal customers familiar with travel (and thus more likely to buy tickets online), as well as low-fare seekers 		<ul style="list-style-type: none"> Targets both high spending business customers, as well as OnePass members, and non-OnePass members
2. Understand the Customer		<ul style="list-style-type: none"> Constantly anticipates and innovates to meet the needs of the customer 		<ul style="list-style-type: none"> Tends to be a “follower” in the industry, late in launching its website (6/97)
3. Identify Key Leverage Points in Customer Experience		<ul style="list-style-type: none"> Net SAAvers and new customization program leverage consumers' desire to find cheap fares into transaction by sending out e-mails each week; site features sections for current travelers, prospective travelers 		<ul style="list-style-type: none"> Does not promote e-mail subscriptions on the site
4. Continually Monitor Competitors		<ul style="list-style-type: none"> If a competitor adopted a technology before American, it was quick to follow 		<ul style="list-style-type: none"> Tends to follow what competitors are doing at a slower pace, launching “copy cat” initiatives many months after competitor rollout
5. Design Compelling and Complete Brand Intent		<ul style="list-style-type: none"> Focus, streamlining, and ease of use of website all convey American's message of customer needs first 		<ul style="list-style-type: none"> Unclear target segment (business travelers? OnePass members?) causes lack of clarity with Brand Intent
6. Execute with Integrity		<ul style="list-style-type: none"> Trust fostered in the offline world carries over into the online world 		<ul style="list-style-type: none"> Trust fostered in the offline world carries over into the online world, with extensive information for members on privacy and use of provided information
7. Be Consistent Over Time		<ul style="list-style-type: none"> Although constantly innovating new technologies and features, stays true to “something special online” 		<ul style="list-style-type: none"> Consistent over time but does not stand out
8. Establish Feedback Systems		<ul style="list-style-type: none"> Customer contact offered as a service at the top of each page and customer service offered as a specific menu item 		<ul style="list-style-type: none"> Very easy to access, prominent feature for obtaining customer feedback on the website
9. Be Opportunistic		<ul style="list-style-type: none"> Leader in its industry in innovation and development 		<ul style="list-style-type: none"> Follower in the industry
10. Invest and Be Patient		<ul style="list-style-type: none"> Invests significantly in technology for the future 		<ul style="list-style-type: none"> Has a tendency to wait too long to make changes competitors make to their sites

= very low
 = low
 = moderate
 = high
 = very high

American Airlines vs. Continental Airlines: Assessment of Key Brand Attributes

		<i>American Airlines</i>		<i>Continental</i>	
Key Attributes	Rating	Rationale	Rating	Rationale	
1. Relevant		<ul style="list-style-type: none"> • Up-to-date flight and gate information • Personalized information based on AAdvantage profiles • PDA applications with flight information 		<ul style="list-style-type: none"> • Offers only information for Continental, but does offer bookings for rental cars and hotels • Allows travel preferences to be saved in profiles 	
2. Distinct		<ul style="list-style-type: none"> • Offers highly personalized experience • First to offer tie in with PDA applications 		<ul style="list-style-type: none"> • Offers extensive online customer service options • Offers customized services for the business traveler 	
3. Consistent		<ul style="list-style-type: none"> • Portrays an image of "something special online," consistent with its image of offering "something special in the air" 		<ul style="list-style-type: none"> • No key messages online associated closely with the offline campaign 	
4. Memorable		<ul style="list-style-type: none"> • Provides a unique service others cannot offer (in terms of personalization) • Net SAAvers is the most well known and effective e-mail marketing tool 		<ul style="list-style-type: none"> • Low use of branding on the site and lack of online / offline message association fail to create a cohesively memorable brand for the consumer 	

 = very low
  = low
  = moderate
  = high
  = very high

Case Study: Monster.com

- **Overview of Monster.com's branding efforts and achievements**
 - **Launched in 1994 as the 454th website in the world**
 - **Monster.com has over 50% of the online-recruitment ad market**
 - **Revenue increased from \$6.9 million in 1996 to \$133.5 million in 1999**
 - **The site's traffic—averaging 3.6 million unique visitors in January 2000—translates into more than 5% of all U.S. Internet users**
 - **At the end of 2000, Monster.com had 7.2 million resumes on file and more than 273,000 registered recruiters**
 - **In February 1999, Monster.com's Super Bowl TV ads generated 2.2million searches, a 450% traffic increase in one week**
 - **To further its branding efforts, Monster.com signed alliances with Yahoo and a \$100 million four-year agreement with AOL to be its exclusive career-**

Monster.com vs. HotJobs.com: Assessment of Key Branding Elements

		<i>Monster.com</i>	<i>HotJobs.com</i>	
Key Elements	Rating	Rationale	Rating	Rationale
1. Clearly Define the Brand Audience		<ul style="list-style-type: none"> • Within the employer market, targets all types of companies, from startups to large corporations 		<ul style="list-style-type: none"> • Appeals to a wide range of jobseekers, but specializes in the intern and entry-level positions
2. Understand the Customer		<ul style="list-style-type: none"> • Offers highly personalized services for the jobseekers, addresses security concerns, and offers value-added services (resume help, advice, interactive communication with other jobseekers) 		<ul style="list-style-type: none"> • First to offer privacy feature that allows jobseekers to select which companies have access to their resume
3. Identify Key Leverage Points in Customer Experience		<ul style="list-style-type: none"> • Provides interactive career information for customers who are not necessarily “looking,” thus increasing the probability that they will become jobseekers 		<ul style="list-style-type: none"> • Allows recruiting process to become internal through its proprietary Softshoe technology, and eliminates concerns about adding an additional venue for recruiting
4. Continually Monitor Competitors		<ul style="list-style-type: none"> • Currently a leader in providing unique services to its consumers, but does not have some features that competitors do 		<ul style="list-style-type: none"> • Adopts successful features of the Monster.com site, but usually on a lesser scale
5. Design Compelling and Complete Brand Intent		<ul style="list-style-type: none"> • Message of “there’s a better job out there” combined with diversified strategic alliances and “intern-to-CEO” strategy convey the idea that Monster.com can find you a better job 		<ul style="list-style-type: none"> • Message of “all the hottest jobs at all the hottest companies” evolved to message of “onward, upward”
6. Execute with Integrity		<ul style="list-style-type: none"> • Offers password and ID protection, as well as some ability to selectively decide when and where your resume can be seen 		<ul style="list-style-type: none"> • Offers most specialized security measures for individual users (prevent current employers from viewing resume)
7. Be Consistent Over Time		<ul style="list-style-type: none"> • “There’s a better job out there” messages evolved to “job good, life good” to “never settle”; consistently uses humor; backs up television advertising with consistent approaches in other media 		<ul style="list-style-type: none"> • Recent “Hottest Hand on the Web Campaign” different from past branding messages
8. Establish Feedback Systems		<ul style="list-style-type: none"> • Offers extensive feedback system for users, allowing users to select categories of information / feedback 		<ul style="list-style-type: none"> • Also offers feedback mechanism for users, although less specialized
9. Be Opportunistic		<ul style="list-style-type: none"> • Partners with firms that could potentially be competitors, rather than trying eliminate competition 		<ul style="list-style-type: none"> • Took a risk with Super Bowl advertising, even without a compelling ad campaign, to raise brand awareness
10. Invest and Be Patient		<ul style="list-style-type: none"> • Willing to invest heavily in the offline world to gain brand recognition 		<ul style="list-style-type: none"> • Also willing to invest in the offline world to gain brand recognition

Monster.com vs. HotJobs.com: Assessment of Key Brand Attributes

		<i>Monster.com</i>	<i>HotJobs.com</i>	
Key Attributes	Rating	Rationale	Rating	Rationale
1. Relevant	●	<ul style="list-style-type: none"> For jobseekers: Provides information for individuals regardless of whether they are actively pursuing a new position, including career information, and chats with other members on various career topics 	●	<ul style="list-style-type: none"> For jobseekers: Provides information geared more specifically for those individuals that are seeking positions
2. Distinct	●	<ul style="list-style-type: none"> For jobseekers: Aids in resume building; personalization with “My Monster” pages and enhanced privacy options; also offers opportunity for interactive communication with other members 	●	<ul style="list-style-type: none"> For jobseekers: Allows selection of companies that view posted resumes
3. Consistent	●	<ul style="list-style-type: none"> Recent partnerships have been consistent with Monster.com’s aim to provide the most diverse set of individuals with the most diverse set of employment opportunities 	◐	<ul style="list-style-type: none"> Campaigns have not been consistent since the company’s beginning
4. Memorable	●	<ul style="list-style-type: none"> Witty and award-winning offline advertising have allowed Monster.com to cement itself as the best-known career website 	◐	<ul style="list-style-type: none"> Although also one of the most well-known career services on the Web, has not been as successful as Monster.com in creating a uniquely memorable advertising campaign and message