

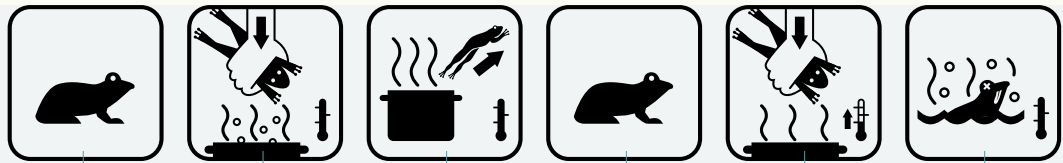
DON'T BE A BOILED FROG

A PRACTICAL GUIDE to Brand Building Next Week

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If placed in a pot of boiling water, a frog will immediately jump back out. If placed in a pot of cool water that is slowly brought to boiling, the frog will sit there quite happily while it boils to death. While most of us react to change the same way the frog reacts to the gradual temperature increase, we are currently amidst a change so fundamental in nature that even the fittest and happiest frogs among us have noticed. Most of us have learned how to talk about the change. All of us have at least a few buzzwords to throw around at the appropriate time. But have we really internalized the fundamental nature of this shift and how it will completely alter the marketing landscape?

As Mark Twain said, "The future is important to me. It's where I intend to spend the rest of my life." This practical guide is nothing more than a series of observations as to the most significant issues facing the brand builders among us. While the odds of me looking back at this later in sheer embarrassment are extremely high, I remain hopeful that these words will act as a framework for lots of discussion and debate. After all, like the subject it seeks to cover, it remains a work in progress.

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A PRACTICAL GUIDE to Brand Building Next Week

Successful brand building in this new technology-enabled marketplace is both an exercise in the application of age-old practice and the active rejection of everything that has gone before. It is a science. It is an art. It has been practiced to great success and to spectacular failure. It requires a willingness to be completely different and an ability to be disciplined and consistent. It demands a stunningly simple proposition, applied with both the insight and the creativity required to get the attention of a reluctant marketplace. It asks that you recognize the past, live in the present, but build the future into every plan you make.

The “rules” of brand building originated in a packaged goods environment many, many years ago. Much has happened, and these rules obviously must change to reflect what is rapidly becoming a completely different marketing environment.

LET’S START AT THE BEGINNING WITH THE SIMPLEST AND MOST COMPLICATED QUESTION ON THE SUBJECT OF BRAND BUILDING: WHAT IS A BRAND AND HOW DO YOU BUILD ONE?

An important starting point is that products can only become brands in the minds of their audience. Many marketers run around thinking that they have a brand, when all they have is a product with a registered name. A brand has created an emotional link with its audience. Customers buy products, but become invested in brands. As Charles Revson once put it, “In the factory we make cosmetics, but in the drug store we sell hope.” In many categories, the brand can become a badge. It is driven, worn, consumed or joined, because it is perceived to make the “right” statement about its user.

The most differentiated brand in the world is Rolls Royce. The two most powerful brand names are Coke and Disney, with many others in hot pursuit.

Brand building is not an abstract exercise. You build a brand because this emotional link creates very real value. It provides pricing flexibility that otherwise would not exist. It allows you to survive, perhaps even prosper, during those times when the competitor has managed to build a better mousetrap. Perhaps the best and most traditional illustration of the difference between brand and product was found in the cola category. Blind taste tests were conducted between Coke, Pepsi and RC Cola. When the consumer didn’t know which brand they were drinking, RC Cola was first, Pepsi second and Coke third. When the consumer was shown the brands, Coke would always finish first, Pepsi second and RC Cola third, which is why most of us are drinking Coke and wondering if RC Cola is still available.

An even more striking and recent example is that of Apple. This product became a brand, which became a badge, which became an icon. Even after doing almost everything possible to screw things up from a business perspective, the icon persevered. The brand gave the business the cushion that it needed in order to survive. Only when the company was “rebooted” by the one person who understood the brand most intimately, could Apple begin to prosper. Yes, the product design work has been superlative, but in a way that clearly demonstrates that intimate

understanding of the brand. And yes, the advertising has also been great, appropriately created by a man and a culture (Lee Clow and Chiat Day) that also own a very intimate relationship with the Apple brand.



Brands are incredibly powerful and durable assets when actively and effectively managed, and sad yet often fond remembrances when allowed to drift. If we take a sampling of brands that have been allowed to lose their differentiation over the years, we inevitably look at the list and ask the rhetorical question: Oh yeah, what happened to those guys? These are brands like American Airlines or, much worse, TWA. Others include Bayer, 7-Eleven, Silicon Graphics, Greyhound, Schick, One-A-Day, Ivory, Converse, Kellogg's and my personal favorite—Brylcreem. While no one really knows where the “point of no return” is, there is a point where a return to true differentiation carries with it such a hefty price tag that it is no longer economically justifiable.

If a drifting brand is to be successfully repositioned, one thing appears fairly certain: you can't get there just by spending money to tell everyone how much you've changed. Talk remains cheap and, after all, the audience thinks they know you and will be very hard to convince otherwise. Instead, you need a “catalytic” product or service that exemplifies this change in a very real and substantial manner. As three very different examples of this idea, Motorola lost brand differentiation until it repositioned itself around pagers and cellular phones, Sun transformed its brand and business through this little thing called Java, and Lay's gradually lost its differentiation until it turned things around with Baked Lay's.

Oldsmobile once told us “this is not your father's Oldsmobile” when in fact the car hadn't significantly changed and in most ways was your father's Oldsmobile. As a counterpoint, Lincoln Mercury, rather than just talking about a changed brand, placed its money behind three new and significantly improved models (their catalytic products were Lincoln Navigator, Lincoln LS and Mercury Cougar), giving themselves a much better shot at repositioning the parent brand as a result. Probably the best examples of catalytic products are found in the ever changing technology arena, where the risk of “drift” may be at its highest and where we saw Sun reposition itself around Java, Apple around the iMac, 3Com around Palm and Sony around Playstation.

— AND HOW ARE BRANDS BUILT?

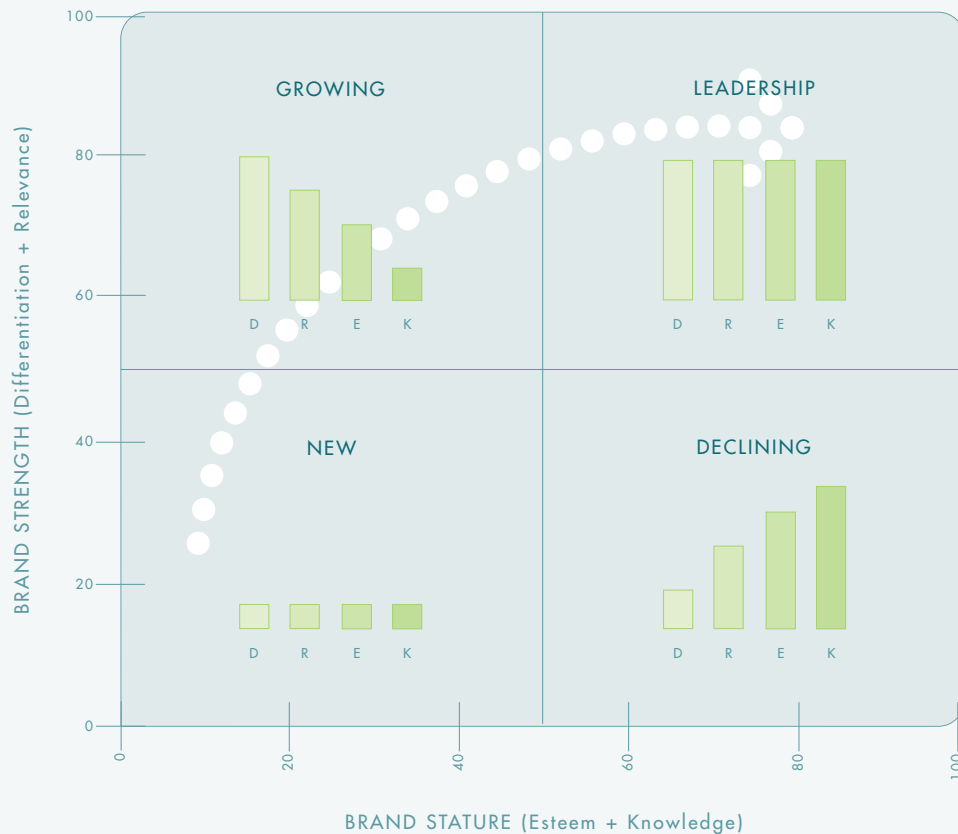
On this subject, the marketing industry generally falls back on a combination of experience and myth. For this reason, Young & Rubicam spent over \$60 million to create what we call the BrandAsset Valuator® (BAV), the world's first real database on brand equity. After interviewing over 110,000 consumers in 33 countries, across some 14,000 brands, the resulting database was analyzed to find out exactly what makes brands tick from a consumer point of view. The findings are very interesting. Traditional brand metrics such as “knowledge” and “esteem” were found to be lagging indicators. While important to the size of any brand franchise, these are not the metrics by which you build a brand in the first place. They have also been found to be slow to degrade, and many unhealthy and declining brands continue to have high consumer knowledge and even high esteem.



BRANDS ARE BUILT THROUGH DIFFERENTIATION.

In other words, the degree to which a brand stands out among all brands inside the mind of its target audience will determine its strength. Its differentiation must have relevance to its audience, but the need for a strong platform for differentiation must always be the starting priority. Perhaps most importantly, brand differentiation has been shown to be highly correlated with key financial metrics such as operating profit and shareholder wealth. For example, over a two-year period, brands that decreased in differentiation and relevance remained flat in terms of operating income, while brands that grew both brand building variables increased their operating income to the tune of 289%.

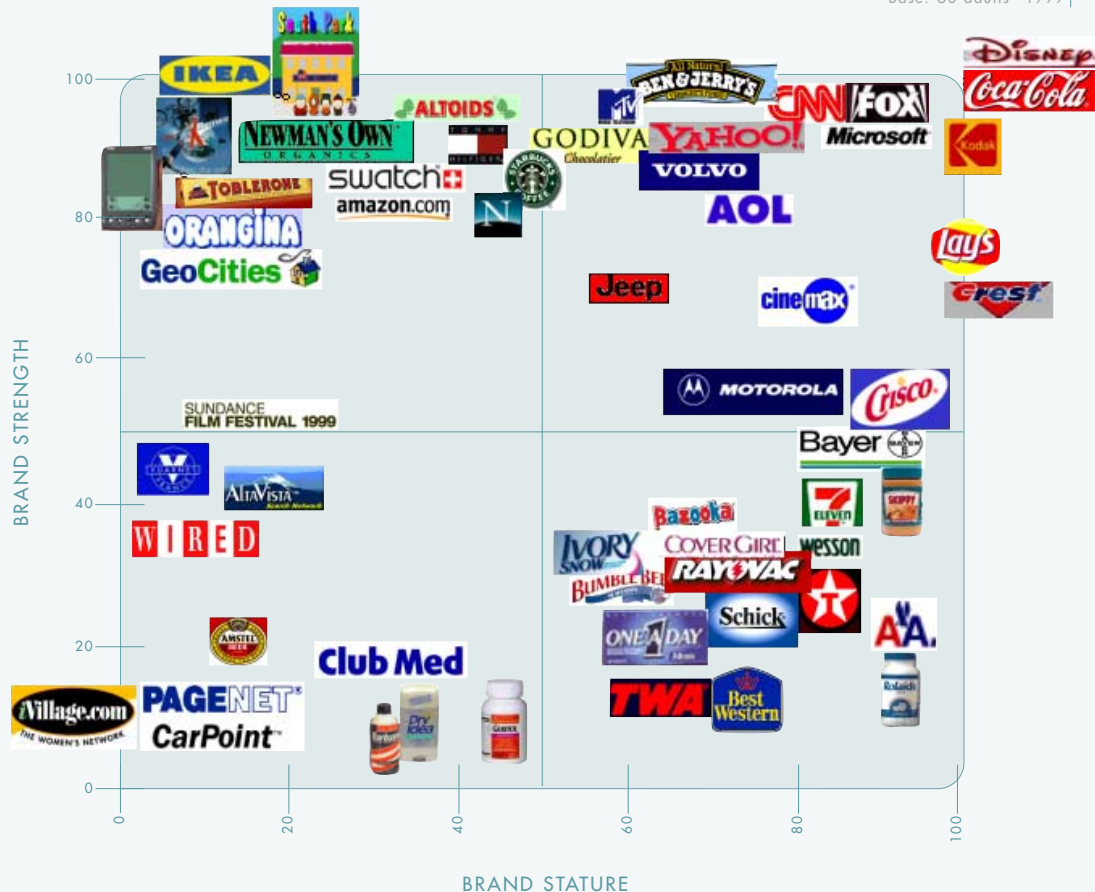
This concept of building brands through differentiation often seems to be nothing more than plain old common sense, until you consider how we really act as marketers. As stated previously, most traditional brand measures revolve around concepts such as awareness, consideration, esteem and knowledge. While these measures are critical to building a large brand, they continue to be lagging indicators, which are not necessarily indicative of actual brand strength or financial health. Also, so much of traditional marketing discipline centers on “relevance.” The packaged goods arena is full of contestants trying to “out-relevant” one another, with only the occasional attempt at true differentiation. Truly being different takes a certain kind of nerve and resolve that most packaged goods companies aren’t exactly renowned for.



We also tend to be guilty of category-centric marketing behavior. Given that the BrandAsset Valuator shows that we have to think of differentiation in terms of all brands inside the heads of our target audience, category-specific research can be highly dangerous. We worked with a client who, through a solid piece of category-specific research, showed its brand to be the strongest among its immediate competitive set. However, when BAV was employed it became clear that the entire category lacked differentiation, and that intra-category competitive strength was akin to being the tallest of the seven dwarves.

While differentiation is the engine that drives brand strength across all marketplaces, you might argue that it is even more critical to an emerging and often confusing technology-enabled marketplace.

In the Internet economy, the “poster child” for brand differentiation is Yahoo! Other than entertainment brands, which can be built almost overnight, the Yahoo! brand may have been built faster than any other brand in history. Interestingly, advertising has not tended to be the engine of brand growth for the first movers such as Yahoo!, Amazon and eBay, although it rapidly became the weapon of choice for the second wave. Among an Internet-savvy audience, Yahoo! is already as strong as Coke and Disney, both built over a relatively long period and at great cost.



The beauty of the Yahoo! brand attitude is that, unlike a limited search engine position, it provided an incredibly effective umbrella under which it could expand its horizons to where it is today—and can be tomorrow. However, as with any highly differentiated brand, the Yahoo! challenge is to maintain its edge while appealing to a broader and more mainstream audience, all the while finding ways to generate revenue from its customers. Although this is most definitely classified as a “high class problem,” it is nonetheless a challenge that has proven the downfall of many other brands over time.

THE BRAND IS THE SITE. THE SITE IS THE BRAND.

For the online-only retailer, this is a truism that often seems to be ignored. The most critical and immersive brand experience will be found “in the store.” Brand personality, brand authority and brand voice must be established in the store, then embodied in marketing programs—not the other way around. The smart marketer will have all of his or her marketing partners lined up early, so that all can play a role in the up-front creation of brand personality and voice. This is a job for marketers and brand builders, not systems integrators and business consultants. Organize your brand team early, as you’ll live with the result for a long, long time.

— IN THIS TECHNOLOGY-ENABLED MARKETPLACE, HOW DO WE SET ABOUT BUILDING BRAND DIFFERENTIATION?

The best and most obvious answer is that you need to have a highly differentiated business proposition in the first place. Enthusiasm only gets you so far. Marketing can only do so much. If you don't start with a truly differentiated business concept, the clock is ticking. While this has always been the case, a strongly differentiated idea is an especially critical starting point for any e-business. Today's technology-enabled marketplace simply doesn't have room for the weak and undifferentiated ideas that were given space to exist by the inefficiencies and geographical soft spots of the old economy.

In the "early" days, it might have been sufficient to be the first to bring the unique capabilities of the Internet to bear on a category. The new frontier mentality yielded opportunities such as the auction (actually managed profitably), selling books (managed incredibly well from a consumer experience perspective) and music (not managed incredibly well from any perspective). Today, simply making use of the Internet as a medium is just not a big or sustainable idea. In fact, the only clearly sustainable Internet-only application to date is a good, old-fashioned auction. You really need to forget the medium for a minute and ask yourself a few questions. Does this still seem like a really unique business concept? Is its differentiation competitively sustainable given the resources at hand? Can the idea stand alone, or does it rely almost completely on the medium for its differentiation? Is the Internet uniquely well suited to execute the idea? These are critically important questions that demand the kind of brutally honest answers the marketplace will provide later if you don't provide them up front. No amount of media spending will allow you to avoid these questions, as many e-retailers who ran with advertising budgets of several times their revenue can now attest.

It is particularly difficult to see how an e-retailer (an online-only retailer) without a highly differentiated business idea can really hope to survive. Keep in mind that, even in this relatively early and unsaturated competitive environment, no one is really making money out of e-commerce. The basic economies of a bricks-and-mortar supply chain and the inherent advantages of a "clicks and mortar" infrastructure will surely drive the undifferentiated e-retailer out of business, sooner rather than later. Certainly, for a few retail categories, the Internet is simply a better selling environment (auctions, books, music, wine and, at some point, trading exchanges are the most obvious examples). But for most retail categories, the Internet will be incorporated into a dramatically different business model in a way that allows it to focus on information and fulfillment support, while playing the role of a secondary shopping medium, rather than taking the lead as the primary shopping medium (think Webvan versus a Safeway home delivery Web site).

To illustrate, Blue Martini Software runs customer contact points through an interactive database linked to a handheld device (think Palm Pilot with a built-in scanner). The device is remotely connected to the database in a way that allows every sales assistant to be an instant expert on product information and cross-sell opportunities, simply by scanning a product tag. Scan the apparel as customers try it on. The database knows that a particular item is being sampled but not bought and, in real time, reduces the price to see what happens.

Provide one of these devices to a customer, and they can walk through the store simply scanning the stuff they want to buy, which then, at the touch of a button, can be charged to their



account and instantly shipped to their home. If they're not in shopping mode, perhaps they just want to walk around the store scanning items, then saving them to their private "wish list," easily accessed at the retailer's Web site by the customer or his friends (with the customer's permission, of course). This obviously can make for anything from a wedding registry to the end of the need for gift "re-purposing."

Christmas shopping takes on a whole new dimension. No more standing in line. No more frustration at the unavailability of product information. Less need to carry deep in-store inventory, therefore less demand for space or increased product range in the same space. And this is not another one of these "wouldn't it be cool if" scenarios. This technology is available today.

NICHE IS NOT A FOUR-LETTER WORD!

Which leads us to a discussion about the term "niche." This word has to be the most misunderstood and abused concept in marketing today. So many business people, particularly in technology circles, have used this term in derogatory fashion that marketers have come to see it as a slur rather than a concept to be celebrated. Perhaps it's because more mainstream technology brands have been "niched" by their competition or by the market, and because the painful act of moving from big to small is not usually a healthy exercise for anyone involved.

But a highly differentiated niche can also be a highly profitable position from which to view the world, particularly when you consider that, by definition, the Internet lets you float that highly differentiated idea across a lot of geography in a very short period of time. My personal hope is that the second wave of Internet-focused retailing will include an abundance of profitable, well-managed niche plays. If managed well (i.e., for what they are, not as mass market plays) these will prove highly sustainable over time, and many will at least have me as a loyal customer.

As covered later in this discussion, we will soon have access to a variety of tools that will provide us with the ability to target our communications with remarkable accuracy. These tools will allow us to place a highly differentiated, and therefore selectively appealing, idea in front of only our target audience, wherever they may be at the time. In the Internet economy, a niche can be extremely profitable to its owner. Fairly soon, the phrase "it's a niche play" will represent the height of brand marketing honor rather than the slur it was allowed to become in the old world view.

WHY DOES THE MARKETPLACE NEED YOU?

Whether niche or mainstream, business-to-business or consumer focused, you need to inform the marketplace as to your unique reason for being. What is that one reason, amid a sea of competition, that the marketplace needs you? In other words, what's your "differentiating brand proposition"? The problem is that, by and large, the marketplace simply doesn't care. The "marketplace" is just a lot of people, all of whom have a life of their own, very little time to spare and generally very little interest in what we marketers are up to. To assume the attention of the marketplace is to invite disaster.



Not only don't they care, but to reach them we must cut through the increasingly heavy communication clutter created by all of those other marketers, many with significantly more money to spend. Today's consumer prospect is faced with an unprecedented array of information, entertainment, channel and product choices. Not surprisingly, the minority have the situation under control and the majority are bewildered. One insightful analyst likened it to a massive case of Attention Deficit Disorder.

Using as much creativity, clarity and consistency as he or she can muster, the brand builder has to cut through all of this clutter and lack of attention. The differentiating brand proposition is that one compellingly simple idea that will allow your brand to stand out from the clutter and be easily understood by its audience. It is based on sustainable competitive advantage, contains a unique customer insight and is creatively compelling. It is a highly marketable idea in its own right, which allows you to use it across every possible element of the brand marketing mix. The brand proposition is the eye through which every piece of communication must be consistently passed. Keep in mind, as they say, that the only problem with consistency is that you've got to stick with it.



WHAT ABOUT THE IMPACT OF TECHNOLOGY ON THIS MARKETPLACE INTO WHICH WE WILL COMMUNICATE OUR DIFFERENTIATING BRAND PROPOSITION?

In many ways, brands have traditionally represented a form of emotional shorthand for a wealth of accumulated or assumed knowledge. With the Internet, the longhand knowledge is increasingly available at the simple press of a key. Customers that had only a fleeting relationship with their brands can now easily harness the Internet to create a complete brand immersion experience. They can also readily access hard and comparative data, placing an increasingly bright light on plain old-fashioned product and service quality. The Internet will make product performance claims, made within completely one-sided marketing programs, increasingly transparent to our prospective customer. To borrow from an old phrase, the truth will win out sooner—not later.

If technology will so quickly throw a bright and honest light on product or service quality, we'd better think long and hard about a completely different approach to marketing. How much of today's marketing activity is completely (and obviously) one-sided, operating on the fundamental assumption that the audience will only hear our point of view, or perhaps that of a direct competitor? In one way or another, we have come to equate marketing with a fairly literal and direct form of persuasion. But our audience is increasingly capable of easily accessing all sides of an argument, or an unbiased third party opinion anyway, so perhaps we need to consider a much more objective style of marketing communication.

Information from credible third parties has always been more reliable, and often much more entertaining. This is partly due to inherent truths, but also partly because we have traditionally practiced one-way persuasive marketing rather than the interactive knowledge marketing of which we are now (technically at least) capable. While we'll never fully enjoy any kind of third party credibility, surely we can close the gap. To repeat, they will get the objective facts anyway, so you might as well be the one to present them.

To illustrate this point, go to a leading branded manufacturer's site, then visit a few of the better third-party advisor sites for the same category. You're very likely to move from a flat and one-sided sales pitch to a more useful and entertaining point of view that is much more likely to gain your (a) confidence, (b) repeat visit, and (c) recommendation to others.

And to again state the obvious, if you don't have the better product or service, you'd better have lots of pricing flexibility. Remember, the truth will win out sooner!

— AND WHAT ABOUT THE PROMISE OF CUSTOMER RELATIONSHIP MANAGEMENT?



As marketers, we still find ourselves in debates over the relative merits of “mass” marketing versus the supposed nirvana of “one-to-one” marketing. The discussion generally operates on the implicit assumption that these are discrete choices rather than simply two poles of a directness continuum, and that one specific approach is the right one for any particular product or service. The “right” approach is ultimately chosen based on the perceived trade-off between the cost efficiency of mass marketing versus the long-term effectiveness of one-to-one marketing. However, the fact is that most of us have customers who can only be profitable if gained and maintained en masse, *plus* customers who can be fit into identifiable and profitable segments, *plus* customers who have earned the right to be marketed to as individuals.

At least from a brand marketing perspective, this ability to interact with all our customers in the most appropriate and profitable manner is perhaps the most significant fundamental shift enabled by the promise of CRM. Note the use of the word “promise.” Unfortunately, no one has yet shown a complete understanding of CRM combined with a real ability to make it work to their benefit.

CRM is a business strategy and source of potential competitive advantage, not simply a category of software. In theory, CRM brings together many changes that will revolutionize day-to-day marketing implementation. These changes tend to aggregate around the three dimensions of time, channels and accountability. Marketing action based on lengthy and backward-looking analysis will be replaced by action based on real-time analysis. Marketing action that is specific to its particular channel “silo” will be replaced by coordinated multichannel activity that permits a consistent and fully informed customer experience across all points of contact. And, last but not least, all of these actions can and will be held increasingly accountable through accurate and immediate ROI measurement. If the promise of CRM is to be fully realized, all three components of CRM (customer + relationship + management) must be satisfied.

If it doesn't start with the customer it simply can't be called CRM. Sales force automation is not CRM. Marketing automation is not CRM. ERP is most definitely not CRM. CRM removes the obstacles to the building of an interactive and personalized relationship between the customer and the marketer. “Personalized” in the sense that a company, with permission and through repeated interactions, gets to know the customer and his or her preferences and acts in accordance with those preferences, regardless of the channel through which the interaction takes place.



In person, on the telephone, online, remote wireless or mail—the customer experience will be consistent and the interaction informed by customer preference. From their side of the interaction, customers will have higher expectations and more control than ever before. From the marketer's side, customer investment can be aligned with long-term customer value, thereby focusing acquisition efforts and more effectively protecting customer relationships from competitive interference.

Relationships are two-way and mutually beneficial. They imply learning about the customer that is retained and used to the customer's advantage. They imply objectivity in marketing efforts, and a commitment to never taking advantage for a short-term gain. Relationships give birth to viral marketing efforts, as there is no better brand and business building mechanic than a customer recommendation. Relationships imply a consistency across channels and over time, learning more about each other from contact to contact, but only at a pace that is comfortable to both parties.

Real-time management of all this data is obviously critical. Unless properly managed, all these real-time customer interactions across all these channels of communication create a lot of data that is essentially useless. As a friend at a very large retail operation put it: We're drowning in data, but have no information!

Management of the customer relationship is part art and part science, and gives the essential structure to the data that allows it to be put to profitable use. Without excellence in management across customers, channels and time, you can still call it CRM, it's just bad CRM.

Brand-building activities are significantly strengthened by an active CRM model. Long before customers and marketers communicated across multiple channels enabled by technology, the most successful marketers practiced Customer Relationship Management. They empowered the customer, built relationships one at a time and carefully managed them over time. Now that we've created an acronym to describe this business strategy and then bent it to describe a category of enabling software, we can't lose track of its essence—a consistent brand and business presence across all points of interaction, used to build active customer relationships through the creative management of data. Whatever we want to call it, this strategy and the technology that enables it will dramatically change the marketing landscape.

ATTENTION IS THE CURRENCY OF THE TECHNOLOGY-ENABLED ECONOMY.

Passive receivers of media are becoming much more active managers of their media environment. The days of pumping bad but strategically relevant advertising at someone sitting in a recliner with beer in hand and no remote are well over, although this realization clearly hasn't hit everyone yet. Soon, our audience will be watching advertising the way they'll be watching programming—only what they want and only when they want it.

As we have already seen, many marketers respond to marketplace clutter by shouting even louder or doing something (anything) more outrageous than the other guy, thereby creating, you guessed it, still more clutter. Unfortunately, marketplace and media clutter will probably reach absurd proportions before technology effectively steps in and places even more control



with the receiver. Total clutter becomes an irrelevant concept to someone who can sift through it all at the touch of a button.

To this clutter, particularly in business-to-business markets, add a high level of genuine confusion over what marketers actually have to offer. Research with senior business people, even senior IT management, repeatedly shows how little they understand or recall from the myriad of marketing efforts directed their way. Not surprisingly, confusing your prospect has never been a particularly successful selling strategy.

PUSH MARKETING IS RAPIDLY TURNING INTO PULL MARKETING.

Most of us were trained, and built the experience base from which our intuition is drawn, around a “push” marketing model. In other words, the ability to push our well-constructed and one-dimensional messages to our audience was an unspoken, but underlying, assumption with which all our marketing models were built.

Our audience will soon take control of much of this relationship, as it becomes capable of pulling our messages only if it so desires. Ask yourself, would you have voluntarily, even enthusiastically, pulled the advertising that has built most of the major brands of today? At home with your family, would you even proudly pull the advertising that you’re putting together as you read this? Certainly, some messages will still be pushed, but a great deal of creative thinking will be necessary to get them through an increasingly sophisticated set of technological screens. To be pulled, brands and their communication programs must fulfill a very real function. Provide a very real benefit in their own right. It might be a service, it might be the provision of useful information and it might be the pure exercise of creativity for the sake of entertainment. Whatever that function is, it had better have some real benefit, or we’ll end up having to pay our audience to view our messages. Even this kind of payment might not scare us, but if one competitor creates a program so entertaining that it gets passed around the audience for free while another must pay a fee to reach the same audience, the competitive advantage might be insurmountable.

For example, as a Canadian now living in the U.S., I had the interesting experience of repeatedly watching a very entertaining ad for Molson Canadian beer called “Rant.” I intently watched this ad between six and ten times, without ever seeing it on television, because several friends e-mailed it to me after picking it up at *adcritic.com*. If you visit this site, you’ll be able to watch several great ads, without being forced to sit through any of that boring programming stuff, and without losing those ads in a virtual sea of bad advertising. Think about it; we’re talking about advertising that will be e-mailed to a prospective customer by a trusted friend. Given that it can’t get much better than this, what is a great (and therefore viral) advertising campaign going to be worth to the brand marketer?

And if your ad is going to be directly e-mailed to a targeted prospect, those old-world time and budget parameters go out the window. Instead of one expensively produced 30-second ad with limited shelf life, you might have twenty or more inexpensively produced, variable length “brand movie” segments, each highly relevant and entertaining to a specific customer segment.

— THOUGH OUR MARKETING MODELS AND THE VERY NATURE OF BRAND BUILDING WILL CHANGE DRAMATICALLY IN THE YEARS TO COME, THE VALUE OF A STRONG BRAND HAS NEVER BEEN GREATER.



While the conversation is different almost every day, the general beat goes on. It is always tempting to take the “if we just keep doing what we’ve been doing but do it better” approach, but it clearly won’t make the grade. We really need to take out a fresh piece of paper, review our brand building experience, then build a very different and constantly evolving brand practice. The very good news is that, in this environment, the creative art (as very distinctly opposed to the mechanical discipline) of marketing takes on a whole new level of importance. While we can talk at length about the new rules of digital brand building, today’s marketplace is clearly placing a premium on the kind of marketing intuition and pure gut feel that no one has ever been able to teach or artificially duplicate.

Perhaps Sir Richard Branson of Virgin fame is the ultimate example of this almost genetic need to do something different. Virgin’s mantra is to enter a category, not because they have a core capability that fits that category, but because they think there is a significant *differentiation* opportunity.

As technology continues to compress product and communication cycle times, the marketplace will have an even greater need for the consistency and perceived reliability offered by a trusted brand. So, the following Principles of “new world” brand building have been assembled as a focus for what will surely be a fascinating and rapidly evolving discussion. Some of these principles are updated versions of fundamental marketing concepts, while others are an active rejection of other fundamental concepts. Still others are relatively original, at least in the mind of the writer. There is absolutely no attempt to present them as a complete or definitive collection. They simply represent a collection of thoughts, in need of airing out.

In the attempt to assemble a “practical guide,” these principles are presented to fuel discussion and debate, not as conclusions in their own right. As a very interesting man named Max DePree once said, “We do not grow by knowing all the answers, but rather by living with all the questions.” There is at least an attempt at brevity, perhaps primarily because the writer has a particularly short attention span. A work in progress, it would be foolish to blindly accept any of the conclusions as gospel. However, it would be even more foolish to disregard the importance of the discussion.

THE PRINCIPLES

— FIND YOUR BRAND’S DIFFERENTIATING BRAND PROPOSITION AND FILTER EVERYTHING THROUGH IT.

The brand proposition is the vehicle that drives differentiation. A simple and differentiated proposition. Simple yet compelling. Keep in mind that simplicity exists on both sides of complexity. In a nutshell, much of the brand marketer’s job hinges on his or her ability to process all relevant information, compressing it all down to that one simple idea or concept. Along the way, the successful marketer resists the easy simplicity that lies before the complexity of the real problem, fights through that complexity, then finds the simple and compelling solution on the other side.

The brand proposition contains both competitive advantage and customer insight. In these days of position clutter, audience confusion and the competitive parity offered by most analytically

based consulting practices, a truly differentiating proposition almost demands an intuitive leap of some kind. It is creative in its own right, but also leads to creatively compelling communication. It is simple, because simplicity is necessary if we are to cut through all of the clutter and confusion of today's marketplace.

Importantly, the brand proposition should be considered the wedge that opens the door to a much more exhaustive conversation, rather than the conversation itself. It need not summarize the entire conversation, but rather must represent the most compelling and intriguing part of that conversation. Once we've determined our differentiating brand proposition, we must filter everything we do through this one idea. All communications must be conducted through the eye of the brand proposition, across the marketing mix and over time. A really strong proposition can become, in its own right, a highly marketable commodity.



SOLVE THE "CATEGORY INVENTOR" DILEMMA.

With any kind of early mover brand, there is a great opportunity to own the category benefit. This approach was perfected by Procter & Gamble many years ago and remains valid in the new marketing of today. However, early mover brand programs must balance this attempt to grab category authority with the need to do so in a very strongly branded and competitively defensible way, as competitors can and will emerge at a remarkably fast rate.

Being first obviously carries significant competitive advantage. However, best almost always beats first, so getting it right up front carries even greater advantage. Still, being first and being best would seem to be the way to go.

Be first to own a category concept. If you've been beaten to it, seek to be the first to reinvent the category. Create a new and compelling segment of that category. In essence, do whatever it takes to be the first to own something meaningful to the audience. And again, be the best or don't expect to own anything for long.

Before the inevitable second wave of dot.com retail ideas emerge, there will be a pretty comprehensive review of what went wrong the first time. Clearly, many of the failed dot.coms were just bad ideas. Some failed through execution. Some failed through exhaustion, as a good idea simply required a longer runway than the marketplace provided. The second wave will be smarter, more patient and less capital-intensive than the first, but don't be surprised to see successful second-wave ideas that clearly trace their conceptual roots to a first-wave business that was hatched prematurely or simply executed poorly.

Again, don't underestimate the importance of brand strategy. Where would we all be if it had been "books.com" and "search.com" instead of Amazon and Yahoo!? One way to pose the dilemma is to ask yourself how unique your brand would be without the "dot.com" designation, particularly given that this kind of nomenclature will phase out over time. Where did this leave *wine.com*? Could this site, as good as it was, ever really hope to own the idea of wine? Even if this were possible, have you placed an unnecessarily tight restriction on where you can take the brand? It's going to take a lot more basic brand differentiation and a deeper sense of brand attitude if this idea is to succeed over time, which I fervently hope it does.

The dilemma (how to balance category ownership and brand differentiation) is just as important to the design of your communication campaign as it is to your basic brand architecture. If you are absolutely certain that you have a significant amount of lead time, you may elect to take the chance and position yourself almost exclusively in terms of category benefit. However, be sure to plan the transition to a more competitive framework up front, as it will surely be necessary, and probably sooner than you expect.

The beauty of all of this is that these are such early days. Categories will be invented, reinvented, flanked, and cut into smaller segments or niches and will mutate right before our eyes, whether we like it or not. Today's brand marketer is signing up for an incredibly active cycle of invention, ownership and reinvention. It will be a lot of things, but it won't be dull.

IF YOU DON'T POSITION YOUR BRAND, THE MARKETPLACE WILL.



This is a particularly important and unique feature of technology markets. Strong brand positioning and aggressive management of that brand position becomes particularly critical when there are so many communities (especially the competitor community) that are more than happy to do it for you.

Silicon Graphics (SGI) may be a particularly striking case in point. SGI could have aggressively pursued a brand position that clearly communicated the benefits of visual computing to an actively interested marketplace. In its failure to do so, SGI left its competition free to brand them as the expensive and unreliable Ferrari's of the workstation market, and the rest, unfortunately, is rapidly becoming history.

The most important point here is the principle itself. You have no choice but to actively and aggressively position your brand in the marketplace. This might entail advertising, but not necessarily, depending on who your audience is. The marketplace is listening to a host of voices telling it who you are, so make sure your own voice is the clearest, loudest and most consistent.

ASSUME THAT NO ONE CARES AND EVERYONE IS CONFUSED.

The "no one cares" assumption is certainly the norm, as well as the safest assumption in terms of how we approach the task of building a brand. Particularly at this technology-obsessed juncture, and most pronounced in the business-to-business world, people are confused. In the business-to-business world, we find smart senior decision-makers who simply aren't used to being confused, and they sure aren't happy about it. One possible outcome of this confusion is that they simply "turn off" our messages when they're exposed to them, something we've observed in a series of qualitative research groups.

No one cares and everyone is confused, so what do we need to do? Be creative, in terms of message delivery as well as message creation. Be clear. Be compelling. Be simple. Focus on the creation of critical mass (our next principle) as a means of breaking down the marketplace's aversion to change.

Whether you are viewing the media plan or the advertising execution itself, take off those rose colored glasses. Lose your interest and focus. Place yourself in the shoes of a real person going

about his or her real life. Now, do you really think that this program will gain the attention it needs to succeed?

NEVER UNDERESTIMATE THE POWER OF INERTIA.

Marketing is all about the creation of “critical mass.” The critical mass required is that which will break marketplace inertia. That which will therefore create change. With the exception of wet babies, people simply don’t want to change. Then why is it that we so often underestimate how difficult it is to create change of any kind, let alone of the fundamental variety? And, lest we forget, while we’re happily planning away, those nasty competitors are also trying to create their own version of change.

Change creation is difficult, but obviously more than possible, particularly with unlimited resources. Unfortunately, most of us don’t have anything remotely resembling unlimited resources, so what can we do to create the necessary mass? It’s all about concentration of resources. By analysis and creativity, limit your time frame, your audience, your geography and your product range. Focus your message. Take full advantage of the creative multiplier (see CREATIVITY MUST ENHANCE CLARITY) to start a marketplace “buzz.” Concentrate, and don’t be delusional about what it really takes to execute change. Don’t make the classic marketing error of “spreading” your resources around. You simply cannot afford to do everything, so your ability to set priorities and ruthlessly adhere to them will be absolutely critical to success.

One simple mechanism for this is to ignore budget constraints while creating the “perfect” plan. The perfect plan is the one that (you think) is realistic and represents the most effective plan you can create for the target audience in question. Once you’ve created this blueprint for success, see if your financial projections demonstrate that you will be able to afford a national or international version of it some day. If the answer is a definitive “no,” you’re back to the drawing board from a marketing model, and possibly business model, point of view. If “yes,” simply apply the plan to as many markets as you can, starting with the most attractive and working towards the least attractive. Be prepared to hit hard, then get out and move on to the next market, leaving behind some form of strong viral marketing program to turn the customers you’ve created into brand advocates.

Another simple and useful exercise is to rank the various tactical components of the marketing plan in terms of their perceived ability to create change. Beside each tactic, assign a “cost of success,” or the amount of money required (to the best of your knowledge and judgement) to ensure the required impact. In the next column, simply assign a cumulative total. The last step is the easiest conceptually, but has proven to be the toughest in practice. Simply run down the cumulative total and stop once you’re out of money, thereby ensuring that you’ll do a few things well rather than a lot of things halfheartedly. A colleague likened many marketing programs to the habit of placing a lot of quarters into a lot of 50-cent vending machines. You spend a lot of money in total, but don’t spend enough in any one machine to get anything back from it.

In summary, reach critical mass with someone, somewhere, somehow, sometime—or you are just wasting your time.



— AND KNOW THE POTENTIAL OF YOUR IDEA.

How high is up? Many businesses have never taken the time to accurately answer this simple question. Knowing the maximum capability of your brand and business should be a component of every single marketing plan, as this knowledge will ultimately guide everything you do. Select a few markets, and do whatever it takes to get every element of the marketing mix right. If you get it all right and the brand doesn't prosper—make the tough decision and move on to the next idea. If your brand does prosper, even within a very tightly defined marketplace, you know you've got a winner—and a blueprint for success.

For a start-up brand that is looking to show investors that they're backing a winner, early success, even on a narrow front, can be critical to future prosperity.

— CREATIVITY MUST ENHANCE CLARITY.

As stated earlier, attention is the currency of a technology-enabled economy. Attention is certainly the currency that we brand builders pursue most passionately. Given that this is the case, why is most advertising either completely pedestrian or completely irrelevant? Bad marketers? Bad agencies? Whatever the reason, advertising is, by and large, primarily a source of embarrassment.

Yet we can all agree that creativity, when inspired and clear, can create a huge marketplace multiplier. As we move forward, this multiplier can only go higher and higher. At some point in time, our audience may be getting paid directly to watch advertising, or perhaps the payment will be deducted from the cost of programming. The more wealthy (and therefore attractive) the audience, the more likely they are to elect not to see any ads. The audience might vote on advertising as they view it, and might be able to screen out all advertising except that which has achieved a certain rating for entertainment value.

While the word “might” is used a lot in the paragraph above, there is no question that the creativity and entertainment value of advertising will be challenged like never before. Yet it still must be clear. It still must persuade. In the media environment of tomorrow, how high is the creative multiplier when creativity can make the difference between being screened out by our audience and having that same audience actively promote our advertising to others?

The beauty of the Web site is that it can be the font of all knowledge. This takes an incredible amount of pressure away from the advertising message, in that there is a much reduced need to convey basic product information. The creative process is therefore liberated by shedding its age-old information burden (but not the burden of basic proposition clarity).

And then there is the very important question of how the creative message will be transmitted. We know that we will have much greater and more sophisticated targeting ability in the future and much less media aggregation, so it would seem to follow that we'll be asked to create many more “ads” than we have in the past, and at a significantly lower cost per ad. We know that



digital technology will allow all kinds of flexibility for fixed position advertising, such that the logo you see at center field in a football game may not be the one that I see, because that logo is actually digitally superimposed on a plain green field. Extend this concept into other sporting events, and even into other programming formats, and the permutations are endless.

What about interactive television? Personal publishing? Radio on command? Will all media content become “direct,” in that the aggregators (networks, magazines and radio stations, for example) will gradually be removed from the equation? Will we pay the producers of *West Wing* 50 cents to view an episode (any episode we want, as we’re the network), offset by a rebate for watching a selection of advertising (variably priced, based on factors such as audience appeal and proven ROI)?

Look at what technology is starting to allow on the Internet. Forget the low click-through rates of banner advertising for now, and focus on the increasingly sophisticated ability to “dynamically serve” ads to your target, based on anything from demographics to browsing behavior to actual purchase behavior. Place advertising in a variety of likely locations, then watch the response and move the locations around based on ROI—all in real time. If inventory is moving fast, bring up the price point. Too slow, get that price down—again all in real time. Take a good look at this model, because in one way or another, across all media, it’s the way of the future.



— BUILD YOUR BRAND BY PRACTICING CONTINUOUS DISCONTINUITY.

Traditionally, brands were built through continuity marketing models. Get a clear proposition, then pound it into your market’s consciousness through continuous exposure (keeping in mind that, in the good old days, the audience found it much harder to avoid our messages). Today, the major allies of continuity brand building, old-fashioned media weight and marketplace attention, cannot be so easily assumed. So what can we do?

Think of the brand proposition as a pipeline through time. Tactically, our job is to bang off the inside of that pipeline as loudly and as often as our creativity and resources will allow. As time passes, brands will increasingly be built through “event marketing,” or perhaps what we should call “event prospecting.” “Event” is used here, not in the traditional and limited sense, but in the broadest possible sense. Defined in this manner, an event is simply a concentration of resources, presented in a manner consistent with the brand proposition, and intended, at least temporarily, to cut through the clutter, confusion and general lack of interest in the marketplace.

Once the prospecting event is over, and assuming superior product performance, you leave behind a new group of customers, armed with some form of viral retention program designed to convert them to loyalty and eventually to advocacy.

— MANAGE BRAND MOMENTUM AS IF RUNNING A POLITICAL CAMPAIGN.

Brand momentum is defined as the perception in the marketplace that it is moving toward you, rather than away from you. Active and aggressive management of perceived brand momentum is particularly critical to the success of any business-to-business brand.

Momentum marketing can be likened to the running of a political campaign. In fact, you might argue that political campaigns (the better ones at least) represent the state of the art. They are managed day to day, even hour to hour, with a constant eye on the marketplace and the other eye on the competition. Best characterized as hand-to-hand combat, there seems to be a lot that we brand marketing purists can learn from the take-no-prisoners approach favored by most political campaigns.

In the brand marketing world, you should be sitting down every Monday morning to review the relevant marketplace news and competitor activity from the previous week, then deciding what will be done about it all during the upcoming week. If topical and easily controlled, the desired messages might be communicated through public relations. If the need for targeting and message control is greater, it might be a tactical newspaper ad. If the need is to be even more tightly targeted, a quick e-mail burst might be in order.

We must be constantly on the lookout for marketplace news, competitive insight, partnership or alliance announcements and product news—all as possible fodder for brand momentum.

SHORT CYCLE TIMES MAKE FOR DISPOSABLE STRATEGIES.

It worked for Madonna and it can work for you! We read a lot about how short product cycle times have become, one obvious outcome being that the overarching consistency provided by brand strategy becomes even more critical. But the short cycle time approach must also be applied to marketing strategy and the planning of communication programs. While these strategies and programs should always be built to last, they must also be built with the knowledge that change is inevitable, and that over-investment (time, resources, money) in one strategy can prove very costly in a marketplace that demands more flexibility than ever before. As Roy Schulte of the Gartner Group said, “Systems built to change are ultimately more valuable than systems built to last.”

Conceptually, brand strategies can be built to last. However, today’s marketer has to build a maximum of executional flexibility into his or her planning. Think twice before spending a fortune on something like television production. Think long and hard before committing significant resources to any kind of long-term sponsorship. Know that change will happen. Expect the unexpected. Always keep your eyes on the things you cannot see!

THINK BRAND RESPONSE.

Forget thinking about brand advertising as a completely different discipline from that of a direct response program. Fact is, few marketers can afford the luxury of thinking that way, and the world is fast moving to consolidate the two. We need to think of a “directness continuum” rather than two distinct disciplines or programs. The overall campaign must be characterized as a “brand response” program, and its architecture designed accordingly.

There’s no question that, as a marketing medium, the Internet is a self-contained model of where we are headed. The Internet is a totally accountable medium within which we can create a network of communication designed to create ever deeper interaction with our brand. The marketing mantra becomes “try it, track it, change it”—all accomplished (theoretically at least)



in real time. The Internet allows *smart* communication in that we can talk to our customers in a manner that shows we know them and respect their business.

Yet, amazingly, many marketers are taking their money out of Internet advertising, citing the low clickthrough. To those of you who fit this description I ask a simple question: What's your clickthrough rate in TV, radio and print? A minority (primarily those involved in direct response advertising) know the answer and divide their budget accordingly. Unfortunately, the majority simply don't have an answer. Neither do I, but I'm betting that it's certainly not better, on average, than the Internet.



Put money into Internet advertising. Experiment. Create the optimal system of networked communication. Get as real-time as possible in applying the try it, track it, change it mantra. The reasoning is simple—you are creating and experimenting with a marketing communication model that will cut across all media as they become digitally enabled and thereby become fully accountable. You are experimenting and therefore learning how to manage tomorrow's communication model.

Very importantly, every single piece of communication should serve to both build the brand and build response. Most often, the communication program is designed to get the *right people* to the most potent marketing tool we have available—the Web site itself. Emphasis might vary, but there should be zero tolerance for brand communication that doesn't generate a response, and equally low tolerance for direct response work that is creatively inconsistent with the brand strategy.

Note the italics used for the words “right people.” We need to be careful about who we bring to our brand. Acquisition costs remain high, particularly in some markets and, if done properly, retention costs can also be quite high. While the absolute number of customers will probably always be a much abused metric, we need to increasingly demand that our marketing programs bring in the right customers. In addition to a straightforward cost/benefit, the right customer base allows us to put together the kinds of loyalty and viral marketing programs that we'll need to build our businesses. Over time, the wrong customers can cost us a fortune.

We should be spending an inordinate amount of time up front, working with every piece of research available and considering all possible sources of relevant data, in order to prepare an incredibly detailed profile of our customer prospect. Every dimension we add will add focus, allowing us to concentrate our resources, thereby creating critical mass where and when we need it most. Every dimension we add will in turn produce competitive advantage. Every dimension we add will in turn reduce our cost of acquisition and retention.

— THE MARKET MIGHT BUY COMPLEXITY, BUT IT REWARDS SIMPLICITY.

Complex, sophisticated technology can be incredibly powerful, but only when used as the engine for a simple business and brand proposition. Without simplicity, the technology can only hope to be acquired by someone else capable of summarizing this technological sophistication in a simple, elegant idea that will compel the marketplace.



Ed Vick, Chairman of Young & Rubicam Advertising, uses an arrow to illustrate the elegance and resiliency of a simple idea. Like a great idea, the arrow has a pointy end to go in and a barb to make sure it doesn't come out. A simple design that has withstood the test of time. The great thing about sophisticated technology is that it can provide a myriad of benefits to the customer. The worst thing about sophisticated technology is that it can provide a myriad of benefits to the customer. You need to create a "hierarchy of benefits," placing the most compelling and differentiated on top, and working your way down to the more obscure benefits that might only prove meaningful once the customer is fully engaged. Again, don't confuse the marketing of a simple brand proposition with a one-on-one sales call.

In the Internet consumer marketing space, simple brand propositions were relatively easy to maintain, as the early movers were able to carve out relatively generic category ownership. Amazon was books. Yahoo! was search. AOL was easy access. Priceline was cheap travel. These days, as the struggle for growth and profitability seems to generate layers of complexity, simplicity gets harder to find and the brand marketer's job consequently gets a lot tougher. This is particularly true in the business-to-business space, where inefficient old-economy models are being supplanted by efficient, but still very complex business models, and the benefits of a strong brand proposition are certainly not universally accepted.

This is where your communication partners can be invaluable, in that their objectivity and relative lack of technological sophistication can work to your advantage as they help you craft that simple concept that captures all the amazing thinking behind it.

GET PERSONALITY.

We are moving from an environment in which we built most brands through relatively fleeting and one-way points of contact, to one where our audience can "immerse" itself in our brand for several minutes, possibly even several hours. An environment that will eventually allow for completely individual brand relationships, built on real-time interaction rather than backward-looking analysis.

As brand marketers, we will bring an increasingly rich and deep personality to our brand, creating the kind of "immersive" brand experience that was historically open only to the more adventurous retailer. The online-only brand is fully realized only on the site itself; the site in essence is the brand, and must act accordingly. When an offline brand is extended into the Internet environment, it must extend its brand personality in an acceptable manner. In other words, while the online brand personality should certainly be used to push the overall brand ahead, and the elastic between online and offline brand personas can certainly be stretched, the bond between the two cannot be broken.

Consistency, depth and strength of brand personality have never been more important. Apply the "personality test" to your customer's on-site experience. If you weren't selling anything, would the customer still want to spend time with you? If the answer is no, (and it usually is in these early days) find your personality and use it to enrich the brand experience. For what it's worth, I think the ability to answer yes to this question will soon become critically important to your success.



WE'RE CREATING INDIVIDUAL BRAND EXPERIENCES.

How do you manage the brand when you have the theoretical ability to create individual brand experiences? Brand builders need to treat this one carefully. Think of a brand as a person. Would you have any respect for a person who is all things to all people? Outside Hollywood, most of us would say no. We still need to create a focused and differentiated brand personality. A consistent brand voice. How we employ that voice in order to market to different individuals can certainly be tailored, but not so much so that we become inconsistent with our basic personality.

With the individual's *permission* (and not without) we'll be able to use predictive modeling to market appropriate goods and services based on actual behavior and stated preference. We'll be able to much more efficiently run our business, based on real-time, interactive feedback from our customers, allowing us to react to what our customers actually want, rather than what we think they need.

Particularly in a business-to-business marketing environment, we will be using software to define multiple customer segments for marketing purposes. We can then develop advertising concepts designed to separately appeal to each of these segments, test the concepts almost overnight with selected customers who have opted in to this part of the process, then directly serve up the successful concepts to each of the appropriate segments. If video, we might deliver the ads via e-mail. This means that we in the advertising business need to figure out how to more rapidly develop a "portfolio" of relatively low-cost advertising vehicles that can be very accurately served up to a creatively segmented customer base.

CONNECT ALL THE DOTS.

Not long from now, we'll be talking about "networked media," whereby each media channel has its tailored purpose, and each has the ability to network to other media channels at the immediate request of the user. We've all read about how we'll be able to click on Ally McBeal's mini dress to temporarily halt programming, discover who makes the dress, then view a list of retailers and current price points before placing an order and going back to our "television program."

Whatever the format, the dots will be connected. We need to ensure that no medium is allowed to present itself as a dead end for our audience. We must always give the prospect a path from one medium to another slightly richer option. At the center of this connected communication universe will be, you guessed it, the Web site. As that center of gravity, the Web site can be a marketer's dream in terms of its ultimate ability to create that individual and fully immersive brand experience.

One of the most important features of this networked media universe is that it will be *fully accountable*. Through diagnostic software, we'll be able to analyze our media programs, in real time, to determine what is working and which of the "dots" isn't fully delivering in its specified role. Overall, given the central role of the database, and the fact that most of these dots are tasked with routing the prospect to our Web site, we in the communication business will see a whole new level of accountability, including client compensation agreements that are increasingly result-based.

BUILD ADVOCACY. GET VIRAL.



Much discussion and attention have been devoted to how we acquire customers and not nearly enough to how we keep them. How we market to our customers so we nurture and grow them toward active brand advocacy is critical to any kind of longer term success, and particularly critical to brand profitability given the relative economics of acquisition versus retention.

The Internet is the perfect medium for building frequency of direct contact between brand and customer. As part of any CRM-style strategy, we really need to take the time to sit down and develop a “contact creation” plan, with the objective of maximizing the quantity and quality of useful interaction between brand and customer. Florian Zettlemeyer of the Haas School of Business suggests the litmus test: *Would your customers still choose to interact with you if you weren't selling anything?* Deliberately and creatively developing a contact or interaction creation plan is one way to ensure that the answer to this question is the right one.

There is no brand building mechanic more powerful than word of mouth. Always has been. Always will be. This is so critically important a point that it bears repeating. *There is no brand building mechanic more powerful than word of mouth.* The great thing about the online environment is that it enables the automatic and interactive development of customer advocacy. This is exactly how many of the leading edge online brands were built. In those days seemingly long past, the new frontier and community mentality that existed made it incredibly easy for smart marketers to create and build strong customer advocacy.

While we can't assume this kind of customer fervor today, we can do a lot of things toward the creation of this kind of brand momentum. The important point here is to think things through up front. Make retention planning just as important, right off the bat, as customer acquisition. Plan your viral marketing strategy as you would a military campaign, but remember that, in many cases, you'll need to plan as the outnumbered guerrilla fighters, not as the occupying force. In many categories and against many target audiences, traditional mass marketing techniques can actually work against the active promotion of word-of-mouth marketing.

BUILD TOMORROW INTO TODAY'S BRAND PLANNING.

Much of this technology is still pretty clunky from a user experience point of view. Slow modems, thin pipes, and early graphics technology will give way to a much deeper, richer brand experience. It's a temporary state of affairs, and it's never too early to start planning for the future. In this future the Internet is clearly taking two branches from a consumer's perspective. The first is an increasingly rich and therefore entertaining application, accessed primarily from a fixed location. The second is an increasingly useful wireless application, accessed remotely from a plethora of Internet-enabled devices. How this all shakes out and blends together over time is for minds far more technically savvy than mine, but as marketers we'd better be ready for it.

Don't build any dead ends. Craft a brand experience that can deepen over time and technological change. Craft an experience that is both engaging and useful regardless of how your customer

will access that experience. Ensure that your brand proposition, while focused, is not so tight as to create a disconnect when change becomes essential.

And don't make the classic mistake of assuming that the competition is fixed in time while you think things through. Instead, be the competition. Take a disciplined approach, and write a marketing plan designed specifically to take your brand out of contention. For example, if you were Competitor A, what ten tactics would you employ to put your "former" company on the defensive? Be the competition. Plan as if you actually are the competition. You'll be amazed by how productive a few hours spent being each competitor will be over time. It's always better to be surprised by yourself than by others.



ALWAYS REMEMBER THAT SPEED IS NO EXCUSE FOR STUPIDITY.

First there was "Internet time." Then there was "early mover advantage." These related cliches contain a central truism. If you're slow, you're dead. However, there's another dimension to the truism. If you're stupid, it doesn't matter how fast you are.

You don't necessarily have to slow down to be smart. Just ensure that you do a good job of separating the "close is close enough" type decisions from the "have to get this one right" decisions. Most decisions in business are the former type. If you've got good judgement, you'll be close enough on each small decision so that a pile of pretty smart decisions builds into a successful business. There are only a few decisions of the "have to get this one right" type, but little time and imperfect information with which to make them, especially in the Internet economy. Just make sure that you know which decisions represent those few critical junctures, take as much time and use as much data as you've got, then debate thoroughly before you commit. As they say, be sure that you fully "torture the logic" of any significant decision.

In the advertising business we have seen the "speed is no excuse for stupidity" axiom in all its glory. Given the time and financial commitment involved, surely it's not too much to ask that you at least understand the basic premise of a business venture by the end of a 30-second ad?

AND LASTLY, KEEP IN MIND THAT WE'RE MAKING THIS UP AS WE GO ALONG!

Paradigm shift. Sea change. State of flux. New economy. Brave new world. Whichever cliché you want to employ, the point is that there's no going back. The best thing is that it's all a work in progress. Much of our experience-based intuition is valid, while much of it is now dangerous. Some of us can adjust and will revel in this kind of marketplace, while others will just not be able to make the shift.

One thing is certain: tomorrow's brand builder will rely on intuition and creativity more than ever. Differentiation is the engine of brand growth, and in a cluttered marketplace that engine cannot be developed by relying on a purely analytical approach. In a crowded market, differentiation will increasingly require an intuitive leap. The exercise of creation.

In an efficient, transparent marketplace you need to build the better mousetrap. However, the marketing of that mousetrap will demand speed and creativity like never before. Perhaps speed and creativity can be better applied with guiding principles that will look something like these. Perhaps not.

Finally, to return to our analogy of the boiled frog, we now need to balance our sense of where the world is going with a practical sense of where it really is today. The water will eventually boil, and you don't want to become a boiled frog. On the other hand, the water is still fairly comfortable, and you certainly don't want to jump out too soon. Either way, life isn't going to be dull. Enjoy the swim!

