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Technology's Impact on Branding



In a tech driven customer world, CEOs need to stay on top of brand building. **BY YURI RADZIEVSKY**

The scene: somewhere in the advertising future, between science fiction and science fact. You look up at the moon and staring back is the Coca-Cola logo. Your daughter smiles and her braces flash the word “Crest.” Your rental car is free because you drive one with the Target bull’s-eye glistening on the hubcaps.

It’s easy to laugh at the possibilities. What’s not easy is to laugh at is technology’s impact on branding and advertising. Technology is transforming the way brands and customers interact. Wired. Networked. Multiplexed. Call it anything you want. Your customers are more in control of your business and brand. Marketing must adapt, or your brand will wither. How can a CEO

formulate an agile approach to branding in a tech-driven customer world? Here are five questions you need to ask—and answer:

What’s the single, most important trend I need to be aware of?

Transparency. Thanks to technology, nearly everything you do as an enterprise or brand can be observed and published to the world at large. Dell Computer learned this in a series of incidents. A reporter named Jeff Jarvis became enraged with what he called poor service from Dell and he turned his blog, “Buzz Machine,” into a rant against the company. His outrage spread rapidly through the Web and erupted into mainstream media. The result? Dell

recently committed \$100 million to improve sales and support. Dell was victimized next by photos and videos of exploding laptops whose batteries malfunctioned. These were published on the Web and flashed around the globe.

And if you think this only happens to high-tech companies, go to Google and do a search of terms like “Mercedes sucks.” In the past, irate feedback came in the form of letters or phone calls. Not any more. Whether you make cars or dishwashers, flatscreen TVs or powerbars, one dissatisfied customer can—via text, audio or video—let you and the world know their unhappiness in seconds. That’s the downside.

On the upside, transparency can be your friend. Engaging positively with

customers, friends and critics makes a statement about your openness and the openness of your company and brand. General Motor's Fastlane blog (<http://fastlane.gmblogs.com>) is a place for CEO Rick Wagoner to write about the company's turnaround, for vice chairman Bob Lutz to write about design and for other GM managers to

brand-based games, challenge them to create commercials for brands, bring them together for brand-sponsored events, galvanize brand feedback, energize brand sharing and transform your brand into a powerhouse of convergence.

But it's not just the phone. Leading brands exploit every opportunity to

investor relations? Many marketers argue that the content of chat rooms, blogs and other online channels is at least as important as paid traditional advertising, if not more so. Soft data can tell you quickly if your brand is in trouble or thriving, based on customer reactions and opinions. Monitoring services audit positive vs. negative comments, competitor impressions, quality of media, even brand absence. Ultimately, listening to such brand currents and countercurrents may be more valuable than anything brands may say about themselves.

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make announcements. Jonathan Schwartz, CEO and president of Sun Microsystems, uses his blog (<http://blogs.sun.com/jonathan>) to give his views on the state of the industry and what it needs to maintain leadership. Microsoft's blogs (<http://blogs.msdn.com>) project the firm's brand into the marketplace to explain where it is going and how to use its products better.

Not all of these blogs take feedback, but when they do, blogs open channels to customers to give raw and unadulterated opinions. You are likely to discover insights that can fix, revitalize, advance and deepen connections between brand and customer. In a parity world, transparency is the tiebreaker. Agile brands openly embrace customers. Static brands fear them.

Where does convergence really fit in the branding equation?

As technologies converge, consumers and brand marketers are finding new ways to communicate and interact. For example, the phone—for younger generations, at least—is the all-terrain media vehicle of choice for navigating the digital landscape. It can display your latest TV spot, turn commercial and theme music into ring tones and alert customers to discounts and special deals by text messaging. The phone turns passive customers into engaged brand loyalists. It can involve them in

converge technologies and engage customers. You can buy personalized M&M candy in your choice of colors from the Web with your own message on each candy. You can build online your own Ford, Honda or General Motors car or truck before going to a dealer. You can create custom clothing and shoes at Land's End or Converse. In each case, the company has changed the equation for interacting with customers through convergence of networks and manufacturing. The brand interacts with and is defined by customers who use its technologies.

What is measurement's role in the bigger branding picture?

Measurement drives branding in a world of convergence and networks. Web based ads provide almost instantaneous feedback about what works and what doesn't. Technology tracks keystrokes and follows a person's every move on your Web site. But it is not just click counts or visitor tracking that make the difference. The challenge is deciding what to do with the data. Leaders, like Amazon.com, use customers' browsing and purchasing habits to make suggestions for what a shopper might buy. The health of Amazon's brand is bound to its data. Hard data, however, is not the only source of measurement CEOs should consider.

Do you ever think of buzz, or is that strictly the domain of marketing or

What should my role be in the new marketing and branding world?

Two words: leadership and innovation. Marketers take their cues from the top. Whether or not you prefer the role, the CEO is the lead brand custodian, the steward responsible for leveraging brands to the fullest. Today's market space demands that your marketing teams vigorously embrace technology. Your role is not only to encourage use but also to nurture an environment that rewards experimentation.

Experimentation is vital because technology has created a fluid, fast-changing array of marketing channels. Few know how to exploit them all. Fear of being left behind should far outweigh fear of failure. Not every brand can turn a coffee shop into a cybercafé, where free WiFi hot spots and music are as much a part of the brand as premium-priced lattes. But Starbucks is willing to experiment.

Challenge your marketers to use technology to build not just brands but brand communities. Turn the marketing team into an incubator for change, not just a department driven to keep product moving. Understand that most experiments fail to reach the ROI a company is looking for, but even one success can offset hundreds of experiments. If you as CEO are not pushing for new ways to project the brand, day-to-day marketing will sabotage brand innovation.

How can I stay on top of what's happening and what's next?

Not an easy question. The biggest ad agencies still haven't found the answers to building brands in an age of technology, though they're snapping up smaller shops and hoping little players can provide insight and competence. If you're over 50, or even 40, you may feel disconnected from technology— or so many executives tell me. My response? Watch your children or grandchildren as they use technology to connect with peers and products.

There's no science to this, but they are a leading indicator. Things trickle up in the new-media marketing world, not vice versa.

Tech's impact on branding can be a scary subject, especially for those who don't use the technology themselves. This tends to create an internal digital divide between those who get it and those who don't. One answer is to create an advisory council of transformers, a fusion of young and older talent, who can explore, debate and share the possibilities, not only with you but other high-level

executives. The signal you send as CEO will spur your marketing assets to begin viewing technology as integral to the brand. And that aligns the brand with the master of brands, the customer. ▲

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