



Branding and the New Media

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Brands

- “A product is something made in a factory; a brand is something that is bought by a customer.”
 - Stephen King, WPP Group
- “A brand is a complex symbol. It is the (intangible) sum of a product’s attributes, its name, ..., its history and its reputation.”
 - David Ogilvy



Brand Value & Equity

- General: The added value that a brand endows a product (Farquhar 1989)
- Cognitive Psychology: Differential impact that brand knowledge has on consumer response to the marketing of that brand (Keller 1993)
- Information Economics: The value of a brand as a credible signal of a product's position (Erdem and Swait 1998)



Approaches to Brand Equity

- Aaker's components of brand equity
 - awareness, associations, perceived quality, brand loyalty, other proprietary brand assets
- Keller's cognitive psychological approach
 - Awareness and associations that underlie brand knowledge
- Signaling (Information Economics) view
 - Brands as signals and credibility of brands as signals of product positions (e.g., Wernerfelt 88, Erdem and Swait 98, Erdem and Swait 03)



Signaling View of Brand Equity

- Signals: manipulable attributes or activities that convey information about the characteristics of economic agents (under imperfect and asymmetric information)
- Brands as signals of product positions embody a firm's past and present marketing mix strategies and activities associated with a brand



The Signaling View

- Components of a brand signal
 - Content
 - Clarity
 - **CREDIBILITY** = f(consistency, brand investments)
- Brands decrease consumer perceived risk/ information costs and alter quality (attribute) perceptions
- Brand equity= Value of a brand signal



Brand Credibility

- Believability of product position information contained in a brand
- Which depends on the willingness and ability of the firm to deliver the promised
 - Trustworthiness and Expertise



Brand Credibility Affects

- Perceptions (perceived quality)
- Perceived Risk, Information costs
- And hence
 - Utility & Brand Choice (Erdem and Swait 98)
 - Price sensitivity (Erdem, Swait and Louviere 01)
 - Consideration & Choice Set (Erdem and Swait 03, 06)
- Generalizability: across consumers, product categories, countries.....(Erdem, Swait, Valenzuela 2006)
- Moderators: Search vs. experience goods, involvement, risk, cultural constructs



New Media: Many Definitions

- using digital media and computer technology to create innovative and interactive instructional and presentation materials for delivery via CD, DVD and the Internet.
www.cmp.unt.edu/glossary.htm
- a general term covering non-traditional ways of delivering advertising or promotion messages, anything from text messaging to the Internet
www.oup.com/uk/booksites/content/0199274894/student/glossary/glossary.htm
- All electronic communications that have appeared or will appear since the original text-and-static picture forms of online communication.
www.lib.qld.gov.au/itcareers/talk.asp
- New Media means basically just that: new media. The latest form of mass communication developed by society always tends to be given this label. In years past it was radio, television, cable TV, satellite TV, etc. Nowadays it tends to be used primarily to talk about emerging digital/electronic communications forms, particularly the internet and the World Wide Web.
newpeoplemedia.org/abbreviations-acronyms.htm
- New Media is a relatively new (sorry) field that includes all forms of computer-enhanced communication. In addition to digital video, examples of New Media communication are web sites, emails, CD-ROMs, DVDs, streaming audio and video, interactive multimedia presentations, and computer animation. New Media is a convergence of the older styles of communicating with the new, computer-enhanced styles.
www.newmediabrew.com/terminology.htm
- New and developing forms of media including the Internet, e-books and Digital Television.
www.ripe.tv/dictionary.n.html
- New media usually refers to a group of relatively recent mass media based on new information technology. Most frequently the label would be understood to include the Internet and World Wide Web, video games and interactive media, CD-ROM and other forms of multimedia popular from the 1990s on. The phrase came to prominence in the 1990s, and is often used by technology writers like those at Wired magazine and by scholars in media studies.
en.wikipedia.org/wiki/New_media



Branding and the New Media: Some Examples

- HyattAdventureChallenge.com
- GM's Chevy Tahoe video contest
- P&G and "surround-sound" marketing – engulfing the consumers in the brand message from in store demos to pitches on Wal-Mart TV
- Video-games & song-lyrics (Coke, Pepsi, Smirnoff, McDonald's).
- Buzzmetrics (clients: Sony, Coke, Dell...)



Implications for Branding

- Average consumer is exposed to 50,000 messages a day
- Media fragmentation
- Consumers “control”, “shape” and “influence” the content of the brand signal more than ever
- New media alters consumer search and learning patterns
 - Both a threat and an opportunity for branding managers



New Consumer

- Sophisticated
- Experience oriented
- Interaction-oriented
- Etc.



Implications for Brands as Signals

- Credibility & delivering the promised are more than ever important
 - Transparency & information sharing & the speed at which news travel in the interactive environment
- Consistency (which affects both the clarity and credibility of a brand as a signal) is a bigger challenge
 - Optimizing the brand-customer relationship across multiple contact points
 - Need to focus not to send mixed signals
 - Media fragmentation can be navigated by a unifying distinct core brand concept and meaning
- However, new media also is a great opportunity to increase consumer involvement, enhance consumer experience, create a brand culture..... And shape what the brand promises and make sure that the promised is delivered
 - Holistic campaigns
 - Leverage the power of the new media



Leveraging the Power of the New Media:” Expanding the Potential of Websites, Blogs, the Digital world....

- Great way to engage consumers and to communicate with them
- Reliance on consumer generated content
- Branded entertainment
- Execution is the key!