

ACBD
BRANDING
PAPERS

nº 3
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O BRANDING NA ERA DA
CONVERGÊNCIA



Agosto106

FÓRUM DE BRANDING O BRANDING NA ERA DA CONVERGÊNCIA

ACBD – Branding Papers

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O BRANDING NA ERA DA CONVERGÊNCIA

“A MODERNIDADE COMEÇA QUANDO O TEMPO E O ESPAÇO SÃO SEPARADOS DA PRÁTICA DA VIDA.”

Zygmunt Bauman

Vivemos numa época em que os conceitos de tempo e espaço estão se tornando liquefeitos. Nessa “modernidade líquida”, o tempo e o espaço são fluidos e fugazes. Não importa o lugar em que estejamos, estamos o tempo todo conectados. O tempo se impõe ao espaço.

Há um desafio para as marcas: o desafio da convergência. O “tudo ao mesmo tempo agora”, não importando onde você esteja. Diante deste cenário, como as mídias tradicionais vão sobreviver? Vai ser a internet o espaço de maior contato com as pessoas?

Outra questão: a internet está deixando o mundo pequeno. Como trabalhar a gestão de marca numa economia global?

Trouxemos para este Fórum dois textos interessantes para o tema: o primeiro, “Six Trends Driving the Global Economy”, é um estudo apresentado na Wired sobre as tendências mundiais que vão direcionar o comportamento das pessoas. O segundo, “Rethinking Digital Branding”, é uma matéria sobre cases de ações de marca na internet. Marcas globais como Levi’s, Absolut e Virgin.

Informe-se e divirta-se com esta nova compilação de estudos, artigos, trechos de livros e frases, com curadoria da Equipe ACBD.

E até o nosso próximo Fórum de Branding.

Ana Couto



Agosto106

FÓRUM DE BRANDING
O BRANDING NA ERA DA CONVERGÊNCIA

SIX TRENDS DRIVING THE GLOBAL ECONOMY

People Power

Video Unlimited

Personalize It

Carbon Killers

Buy It Now

All-Access Economy



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

People Power

By Chris Anderson

Blogs, user reviews, photo-sharing – the peer production era has arrived.

First, steam power replaced muscle power and launched the Industrial Revolution. Then Henry Ford's assembly line, along with advances in steel and plastic, ushered in the Second Industrial Revolution. Next came silicon and the Information Age. Each era was fueled by a faster, cheaper, and more widely available method of production that kicked efficiency to the next level and transformed the world.

Now we have armies of amateurs, happy to work for free. Call it the Age of Peer Production. From Amazon.com to MySpace to craigslist, the most successful Web companies are building business models based on user-generated content. This is perhaps the most dramatic manifestation of the second-generation Web. The tools of production, from blogging to video-sharing, are fully democratized, and the engine for growth is the spare cycles, talent, and capacity of regular folks, who are, in aggregate, creating a distributed labor force of unprecedented scale.

The evidence is all around us. There are standard-bearers like Wikipedia and Yahoo's Flickr photo-sharing service. There are entire realms that Second Life users are creating from scratch. And there is the enormous audience that YouTube has conjured with its idiotproof video-sharing technology.

There's also gold in the casual Web droppings we all leave online. Much of the value of Amazon and Netflix comes from their tens of millions of customer reviews. Your click trail on Amazon is used to create better recommendations for those who follow. Your query on Google and the pages that you find relevant give feedback that fine-tunes the search algorithms. The ads you click don't just boost revenue for Google, they also tell it how much to charge the next advertiser. These companies have found ways to harness the wisdom of the crowd, extracting information that was there all along, just latent and lost.

But the real miracle is in the more intentional work millions of us do to populate the Web: 80 million MySpace pages, 40 million bloggers, nearly a million amateur encyclopedians. The result is a shared culture of fandom, commentary, and camaraderie. And then there's open source software, which has changed both the corporate server (Linux) and the consumer desktop (Firefox) – and given new life to IBM, a company that now thrives by building software and services atop peer-produced code.

Previous industrial ages were built on the backs of individuals, too, but in those days labor was just that: labor. Workers were paid for their time, whether on a factory floor or in a cubicle. Today's peer-production machine runs in a mostly nonmonetary economy. The currency is reputation, expression, karma, "wuffie," or simply whim.

This can all sound a little like, well, '60s-style utopianism. After all, Marx himself



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

believed that the industrial proletariat would revolt against the bourgeoisie, creating a state where the workers own the means of industrial production. It's easy to see an echo of that in blogosphere triumphalism.

But it's a mistake to equate peer production with anticapitalism. This isn't amateurs versus professionals; it's each benefiting the other. Companies aren't just exploiting free labor; they're also creating the tools that give voice to millions. And that rowdy rabble isn't replacing the firm; it's providing the energy that drives a new sort of company, one that understands that talent exists outside Hollywood, that credentials matter less than passion, and that each of us has knowledge that's valuable to someone, somewhere.

Who's doing it?

Amazon
Peer reviews

Google
User-based algorithms

News Corp.
80 million MySpace pages

Yahoo
Flickr photo-sharing



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

Video Unlimited

By Eryn Brown

Any time, any place, any format, any screen – there's always something on.

Just a quick look at the numbers told the folks at Yahoo Music they were onto something. In 2004, viewers tuned in to 2.9 billion music videos streamed from the site. In 2005, close to 25 million unique viewers visited Yahoo Music and watched 4 billion clips. But it wasn't until 2006, when music labels started looking to Yahoo as an indispensable part of their marketing strategy, that Yahoo execs realized TV screens were being eclipsed by computer monitors and laptops.

Epic Records, for instance, had noticed that fans weren't satisfied with videos on MTV and VH1 anymore. They were clamoring for access to music videos on all kinds of screens – from laptops to smartphones to video iPods. To feed some of that demand, Epic created a special fan video for Shakira's "Hips Don't Lie." The clip, which was exclusive to Yahoo Music, became the most-viewed video on the site for three weeks. Verizon users could also watch the original video on their cell phones using the carrier's V Cast service.

Talk of this multiscreen-video trend can sound like a rerun of that great mid-'90s hit "convergence": TVs become PCs, PCs become TVs. But this time, industry insiders say, all the pieces are in place. The demand for content has fueled efforts by Wired 40 companies like Yahoo and General Electric (the parent of NBC Universal) to come up with stuff tailored for all kinds of different screens: first-run television shows, original content such as online webisodes of the soap opera Passions, and time-sensitive news and sports segments. NBC Universal, among its other efforts, has posted episodes of The Office, Scrubs, and Law & Order on Apple's iTunes Music Store for download to video iPods. Saturday Night Live, also an NBC property, produces Digital Shorts that air on TV and are then posted online, where they take on a viral life of their own.

As content companies scramble, hardware makers are responding to the multiscreen demand with offerings of their own. Apple's video iPod and Samsung's video-enabled cell phones are just the start. Meanwhile, Apple and Microsoft are revamping their operating systems to handle digital video seamlessly. The move toward any time, any screen content also has pushed creators to post their wares on third-party sites like Yahoo (which serves up ad-backed news clips and other programming), Google (which offers free and pay video downloads), and iTunes. According to a March study by Nielsen//NetRatings, Microsoft's MSN Video grew 44 percent in the past year to hit 9.3 million visitors in February. Google Video, which debuted only last June, had 6.2 million visitors. And Yahoo's video search climbed 148 percent to 3.8 million visitors.

Unlike the first days of online music downloads, more content on more screens now means more revenue. At a recent shareholder meeting, GE announced that NBC Universal's digital video offerings had already generated \$300 million. More



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

tantalizing still, says NBC Universal digital media president Beth Comstock, NBC has noticed that the new pipelines are actually expanding – rather than cannibalizing – the network’s audience. “It’s increasing the size of the pie,” she says.

Not that the companies pursuing these multiscreen consumers have figured out all the details – like how to generate profits consistently. “It’s kind of like the early Internet days,” says Kieve Huffman, vice president of media content at InfoSpace, which is planning to announce its own digital video offering for cell phones late this summer. “No one’s quite sure which business model is going to work.”

Who’s doing it?

Apple
Video iPod

GE
NBC TV online

Samsung
Mobile TV handsets

Yahoo
Music video service



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

Personalize It

By Kevin Kelleher

Jeans cut just for your hips, drugs designed just for your genome. The new me decade is a perfect fit.

"Have it your way," Burger King promised 32 years ago, pushing Whoppers and heralding the era of consumer products tailored to personal tastes. Today, Lands' End lets you create a virtual model to your measurements and cuts clothes to fit. Adidas offers shoes customized to your feet. The British bank Abbey will emblazon your doodles on a debit card.

For all this, personalization remains the exception in hard goods. But it has become the rule online. Amazon.com uses your purchase and pageview histories to create a unique Web page that includes recommendations tuned to your taste. Netflix looks at past DVD rentals and suggests future choices. Apple's iTunes and Google Video are prodding radio and television out of the broadcast era and into the dawning age of individualized media.

Now the trend toward personalized products is moving into a new arena: pharmaceuticals. Allen Roses, senior VP of gen-etics at GlaxoSmithKline, made headlines in late 2003 when he said, "The vast majority of drugs – more than 90 percent – only work in 30 or 50 percent of the people." Most observers thought he was admitting failure. Actually, he was identifying a vast opportunity: the use of genetic profiles to ensure that ailing individuals receive treatments that work for them.

Prescribing medications is mostly a trial-and-error process. Doctors select the most promising medicine for a patient. If it doesn't work, they try another. But scientists are discovering that diseases progress along physiological pathways that vary from person to person. As genomics becomes better understood, doctors will be able to use DNA tests to determine the right treatment for each individual. Genentech, Pfizer, and Gen-Probe – all on this year's Wired 40 list – are leading the way.

The most dramatic success so far is Herceptin, a breast cancer treatment developed by Genentech. The company's scientists discovered that breast cells in a quarter of breast cancer patients contain extra copies of a particular gene. The gene orchestrates production of a protein that encourages cell division, making this group prone to especially persistent, fast-growing tumors. Genentech created a drug to suppress that protein, and in subsequent trials, Herceptin was found to be more effective than chemotherapy in women who carry the genetic abnormality.

Patients aren't the only ones who benefit from the personalized approach; drugmakers stand to save big money. A clinical trial that involves 1,000 targeted candidates rather than 20,000 from the general population can increase success rates and cut development time. "In the future," says Citigroup biotech analyst Yaron



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

Werber, “the smart companies will figure out why you responded to a drug, and why I didn’t.”

Among traditional pharmaceutical companies, one of the smartest is Pfizer. The drug powerhouse is testing two compounds that could benefit specific genotypes: Sutent for gastrointestinal tumors and kidney cancer, and CP-751,871 for bone marrow cancer. The tests to determine who should get these medications may well come from Gen-Probe, a leader in the nascent field of molecular diagnostics. The company is now working on a DNA screen to detect genetic markers associated with prostate cancer.

For pharmas, personalized medicine could bring big profits. But for the broader public, the stakes are much higher. After all, getting a burger your way is nice. Having drugs that reliably cure life-threatening diseases would be a triumph.

Who’s doing it?

Genentech
Personalized medicine

Gen-Probe
DNA screening

Apple
iTunes playlists

Netflix
Individualized recommendations



Agosto 06

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

Carbon Killers

By Eryn Brown

Hug that tree: For some companies, going green is generating serious greenbacks.

What's up at General Electric? First, in May 2005, CEO Jeff Immelt announced a new corporate initiative dubbed Ecomagination. Under the plan, the company will invest \$1.5 billion annually by 2010 – roughly half of its current research budget – in clean-tech R&D. He also pledged to roll back GE's own greenhouse gas emissions 1 percent by 2012. (They had been on track to rise 40 percent.) Then the \$360 billion Fairfield, Connecticut, conglomerate started airing feel-good TV ads starring a tap-dancing elephant. And this spring, a GE executive testifying at a US Senate hearing asked the government to impose mandatory emission limits on American companies.

Not the kind of talk you'd expect from a corporate giant best known among environmentalists for dumping toxic PCBs into the Hudson River for almost three decades. But as evidence mounts that carbon emissions cause global warming, outfits like General Electric – along with fellow Wired 40 companies Exelon, BP, and Toyota – are realizing that going green is good for business.

American corporations have traditionally regarded environmental controls as an expensive nuisance – not as an inspiration for their business plans. And by his own admission, Immelt is no tree hugger. But the focus on carbon reduction makes strategic sense for GE. Obviously, investing in clean technologies pays dividends in public relations and marketing buzz: FedEx has announced plans to cut emissions through the use of hybrid delivery trucks, a move that plays well with consumers.

And much like Toyota (hybrid vehicle technology) and BP (alt-energy program), GE believes there may be a vast market for other environmentally smart products. GE's initiatives include plans to develop roof tiles that function as solar cells and water purification systems to reduce municipal waste outflows.

The global market is especially hungry for green technology. Most US multinationals do business in Europe and Asia – regions that have accepted, and are beginning to enforce, the limits on greenhouse gases imposed by the Kyoto Protocol. Even if the US never ratifies the relatively stringent treaty, US products will soon be competing abroad in markets that are on a low-carbon diet. GE is already developing wind turbines, low-emission air--craft engines, and hybrid locomotives for overseas customers.

These companies also want to get a jump on any restrictions they may eventually face in the US. "There will be a carbon-constrained future. It's prudent to take action now, because it will benefit us when regulation comes," says Helen Howes, vice president of environment, health, and safety at Chicago-based power company Exelon. The firm has pledged to reduce its greenhouse gas emissions – already



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

relatively low – 8 percent by 2008 (using a 2001 baseline).

An Exelon executive also testified at April's Senate Energy Committee hearings, urging Congress to establish immediate carbon controls, like a mandatory cap-and-trade credit system. Still, congressional action, if any, will come only in baby steps.

But top-down legislation may prove unnecessary if green-leaning companies continue to do well on Wall Street and with customers. Whatever happens in the marketplace, the people in the lab are fired up. Mike Bowman, who runs the Energy Systems Laboratory at GE Global Research in Niskayuna, New York, says his group, which is working on "clean coal" power plant technologies, is growing so quickly he can't hire scientists fast enough. "It's a great technical opportunity, and it's also the right thing to do," he says. "We love this."

Who's doing it?

Exelon
Cutting emissions

BP
Alt-energy initiative

GE
Clean-tech R&D

Toyota
Hybrid engines



Agosto 06

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

Buy It Now

By Josh McHugh

Forget old-school R&D. These companies purchase their ideas one startup at a time.

Corporate research and development is like exercise: It takes time, energy, and commitment – and it's absolutely essential to staying fit and alert. But while humans have to put in time on the treadmill to keep that paunch at bay, more and more companies are paying someone else to do the sweaty work. Think of it as R&D by M&A.

Corporations are always trying to grow – creating new products, developing new features, expanding into new markets. The old-school approach is to build a big R&D department. Put smart minds on long leashes, the thinking goes, and perhaps they'll come up with something innovative. But blue-sky research is a drag on the bottom line. Even the most pedestrian form of R&D, product development, requires dedicated staff and a fair amount of experimentation.

What a bother! Why not just buy a smaller firm that's already succeeding in a new market? Cisco long ago adopted this approach – acquiring 107 companies over a 12-year period ending in 2005 – and along the way became one of the most valuable tech companies in the world. The network equipment manufacturer continues to deal its way into new markets.

To expand its presence in the digital living room, Cisco spent \$6.9 billion last year – nearly twice its entire R&D budget – to buy cable-box maker Scientific-Atlanta.

Other Wired 40 companies are also opening their wallets. In 2005, News Corp. entered the social networking fray with a \$580 million buyout of MySpace's parent company. In May of this year, it bought online karaoke player kSolo.com and news aggregator Newroo. eBay last year dropped \$2.6 billion on voice-over-IP phenom Skype. Pfizer spent almost \$2 billion – more than a quarter of its total 2005 R&D outlay – to get its hands on Vicuron Pharmaceuticals, a biotech firm with two anti-infectant drugs in FDA trials. In April, Salesforce.com bought Sendia to get its applications to work on handheld devices.

Nowhere has the M&A-as-R&D trend been deeper than in online search. Thanks to booming ad revenue, Google and Yahoo have a combined \$4.3 billion in cash and equivalents, and they're not afraid to spend big. In the last 18 months, Google gobbled up Dodgeball, Urchin Software, and Upstartle, gaining entry into mobile social networking, Web analytics tools, and Web-based word processing. Yahoo went on its own Pac-Man-style rampage, swallowing Konfabulator, Webjay, Upcoming.org, Flickr, and del.icio.us. Urp. Now the company offers interface widgets, online playlists, an event-tracking service, and photo- and bookmark-sharing. Not to be outdone, Microsoft extended its domain by acquiring a staggering 24 companies in the last year or so, including bookmarking startup Onfolio.



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

Small firms, meanwhile, are eager to step up to the auction block. The dream of every office park startup used to be a blockbuster initial public offering. But the market for IPOs has weakened since the bubble burst, and post-Enron regulations have made that exit strategy costly and cumbersome. So the new endgame is acquisition. Companies seem to be forming with the sole intent of selling out to Yahoo, Google, or Microsoft. "The stars are aligning for entrepreneurs," says Jim Barnett, CEO of Web ad-automation startup Turn, a potential Web 2.0 acquisition target. "It's a mistake to start a company with the plan to flip it to Google or Yahoo. That said, I have a great deal of respect for both companies and would never rule out anything." Did you hear that, Mr. Schmidt?

Who's doing it?

eBay
Voice-over-IP telephony

Pfizer
Biotech drugs

Microsoft
24 deals in 12 months!

Cisco
Cable set-top boxes



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

All-Access Economy

By Kevin Kelleher

Closed systems are dead. From software to supply chains, open is the new standard.

One day in 1995, Marc Benioff, then a senior VP at Oracle, was trolling a new Web site called Amazon.com. He clicked on the Buy button, and a thought struck him: Applications on the Web were the opposite of Oracle's bloatware. They executed transactions through a simple interface that was available to anyone on the Internet. Web standards made it unnecessary for customers to install, upgrade, or maintain anything but a browser and a TCP/IP connection. "I thought, 'This is amazing,'" Benioff says. "I saw the power of an open-standard platform."

Today, openness has become a fundamental business principle, but its value hasn't always been so obvious. In the 1970s and '80s, front-runners like Oracle and Microsoft tried to make their proprietary technologies into de facto standards. Owning the standard made a company dominant, allowing it to dictate how customers used its products. Sure, there were drawbacks: With each new product cycle, customers had to tear out the old apps and install the new, and companies selling accessories had to scramble to update their wares. But that was how the tech game was played.

Then along came the Internet – the apotheosis of open standards. Suddenly, apps didn't need to be written with their own idiosyncratic user interface to run locally on Windows, Mac OS, or Unix. The browser window became the default interface for all kinds of things, from commerce to network administration to stock trading to email. Once installed on a vendor's server, updates were available immediately. And the open environment encouraged competition, driving continual improvements.

Benioff waited a few years for the Internet to mature and made his move. In 1999, he cofounded Salesforce.com, which delivers business software through a browser window. The company went public in a \$110 million IPO in 2004. Today, revenue is growing by more than 50 percent annually, and giant rivals like Oracle and SAP are mimicking Benioff's strategy.

Some companies are taking the software-as-service model to the next level by making public the instructions that control certain internal operations. For instance, you can tap into the Amazon.com or eBay servers to create your own storefront. Similarly, you can mash up Google Maps with Flickr photos. As a result, these companies have become more than Web sites; they're platforms in their own right.

While online vendors open their servers in pursuit of profit, programmers have embraced open source licensing for idealistic reasons. Rescinding ownership results in cheaper, better software for everyone – and that's good for business. Amid the 2000 tech crash, when companies were slashing IT budgets, IBM rode out the bust by offering its customers the open source Linux OS.



Agosto106

FÓRUM DE BRANDING O BRANDING NA ERA DA CONVERGÊNCIA

Closed systems aren't obsolete – yet. They still rule in game consoles and handheld devices. And the telecom and cable TV industries seem intent on clinging to traditional modes of competition. Comcast, with a bright future as a broadband ISP, opposes so-called Net neutrality legislation that would prevent Internet service providers from charging online businesses a premium for priority access.

Nonetheless, the power of openness is boosting efficiencies and pumping up bottom lines throughout the business ecosystem. Consider Li & Fung, a member of the Wired 40 that's taking advantage of open trade policies to connect global brands with overseas manufacturers. The path forward is clear: It starts with an open door.

Who's doing it?

eBay
Custom storefronts

IBM
Corporate Linux

Li & Fung
Borderless supply chains

Salesforce.com
Online enterprise software



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

Rethinking Digital Branding

by: NMK
March 2005

Digital campaigns for Levi's, Hitchhiker's Guide To The Galaxy, Absolut Cut, Virgin Mobile and more were unpacked - and the future of digital branding explored.

Report by Deirdre Molloy

Chair: Margaret Manning – CEO, Reading Room

In promotion of this event, NMK flagged up an AOL Henley report which hypothesised that “information obtained online is changing the future and present behaviour of consumers.” Introducing proceedings, Margaret Manning explained that AOL/Henley found their hypothesis to be correct – 42% of online consumers have changed their mind about a brand they are going to buy and switched to a different brand. This changing brand preference amounted to a scenario of “brand anarchy” Margaret reckoned.

We need to recognise society has changed forever, she continued, quoting from *The Soul Of the New Consumer* by David Lewis. “Consumers have certainly evolved from being conformist and deferential children reared on mass production and mass advertising into much freer thinking adults.” The internet is having a fundamental influence on the way brands are viewed. Online influences are making customers less loyal, more open to try new brands, more willing to experiment. Why is this happening and what are customers doing? Are customers more able to compare prices? Are some brands better at communicating? Are blogs and other forms of comment giving consumers a stronger voice?

Today, branding is everything. The internet is truly and wholly user driven: it is used at every stage of the purchase process from the initial scan of products, to price comparison, last minute checks, purchase and post-purchase searches and checks for reassurance. So understanding customers can help us force through change, but trust is key - if you're not trusted, you're not in the ballpark.

Research shows many of the leading brands are completely missing a trick when it comes to how they're communicating via the internet. Just a little thought and a clear understanding of how the internet works could have a fundamental effect on a brand's profile. Margaret's key steps to successful branding online in relation to building a successful website were: quality of information, speed of information, functionality, usability, contactability, transparency, brand representation, design and technical performance.



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

Consumer behaviour on the internet

Margaret marshalled several websites as exemplary in support of her claims. Dabs.com – the UK’s leading retailer of IT and technology products - improved conversion rates and online sales by making site easier to use and focusing on the customer. Neopets.com is consistently voted in the top ten stickiest sites on the web. According to the company, it consistently garners upwards of 1,000 monthly page views per active user and interaction times of more than four hours, leaving all the major portals in its wake. Global membership exceeds 23 million, of which approximately 11 million are active monthly users. Other sites she commended in this context were Race For Life (Cancer Research UK), Priceline.com and weblog services like eBlogger and Blog Business World.

Concluding with an overview of consumer behaviour on the internet, Margaret Manning made the following points about research and purchasing. The internet is a vital part of the research process. The internet is used at every stage of the research process. The purchase process is more considered and more convoluted than offline. Consumers are more informed from a multiplicity of sources; price is not exclusively the primary driver. She added that online information and experience (and modified brand opinions) also translates into offline purchase.

Daniel Letts – Consultant, Wolff Olins

Daniel conjoined the event’s subtitle ‘Getting To Know You’ and the title of NMK’s most recent newsletter – You’ve Gotta Factor For Determined Detractors – as a starting point for his analysis. He argued that the biggest reason why brands online have a lot of difficulty is that for CEOs, the brand is just part of the business, and digital is just one sub-division of that business component.

In light of this he outlined his ‘seven deadly sins’ of the brandscape: ignorance, indifference, naivety, zealotry, pride, and avarice (one sin went AWOL). Taking ignorance as self explanatory, he looked at examples of indifference and changes in this area. Owning all the URL variations of your brand, and brand hijacking by detractors were the primary issues here. Hate Orange is still broadcasting its message of ire, while a similar site NTHell has now been bought over by its corporate target and transformed into a help message board styled as ‘the No1 NTL customer voice source’. Its .com version has also been bought up and turned into a link page to NTL’s consumer site. High impact brand interventions like Greenpeace’s Boycott Esso site were important in kickstarting the detractor trend, but a classic example of indifference by the brand owner was the Site Clinic, the .com variation of which brought you to a Korean porn site.

Naivety Daniel characterised as the sin of thinking “we can get away with it” in regards to poor products and lack of transparency. Some people never learn. Just last year someone revealed how you could crack the Kryptonite bike lock with a ballpoint pen – a revelation that spread around the web and cost Kryptonite \$10m.

Zealotry Daniel ascribed to the brands who “pull a fast one” in their marketing,



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

whether this involves double-bluffing or supposedly 'independent' blogs with several brands having tried out the latter tactic, most of which get exposed by the blogging community.

Pride was illustrated by the Wanadoo staff in France who walked out over their employers VOIP service because it barely passed muster. Similarly a discussion board on BBC Radio 5 Live was convulsed by a drift into foul language. The entire discussion community upped sticks and continued their discussion on another message board, a classic example of web squatting.

Why all this matters is down to the power of recommendation. Whether you can grow your recommenders over your detractors, and the propensity to recommend, is completely dependent on the quality of service. Consumers care more about brands online, Daniel asserted and he agreed with Margaret Manning that it's not just a price-driven world. In terms of positively viewed brands the BBC do well. eBay's reputation system builds their brand and Google has further boosted its brand with its desktop search and Gmail service. Amazon has benefited from its recommendations and OneClick tool while the recent success of Apple's iPod has seen the new product grow to represent 50% of Apple's turnover, and increased the sales of Macs in the process.

All these brands have worked hard to do stuff that is meaningful to us as consumers, Daniel concluded. The majority of them haven't spent much money on advertising. Instead they put the money into product research and development. So Daniel's talk stressed that meaning and added value were the touchstones of brand strength – and the best antidote to detractors – in the digital age.

Richard Crab – Design Director, Start Creative **Case Study: Virgin Mobile**

Start Creative deliver brand and digital solutions and Richard's talk focused on their relationship with client Virgin. They operate at a strategic managerial level with Virgin as well as working with the brand divisions. Richard identified the 'brand gap' as an integral issue for any business, as the word 'brand' itself has a brand problem. But, he continued, it's too simplistic to blame media for product failures.

Discussing how powerful brands contribute to market value, he used the example of when Mannesman bought Orange and kept the acquired brand intact. On the question of how you create a brand Richard quoted Einstein "Imagination is more important than knowledge." Knowledge tells you where you've been, imagination tells you where you want to go. [Einstein himself continued: "Knowledge is limited. Imagination encircles the world".]

Virgin's brand has long been associated with standing up for the consumer against monopoly giants and rip-off services. They produce a brand book which is a collection of Virgin culture over the years. Such is their reputation that they're more trusted than the Bank Of England and 73% of consumers polled say a bad experience won't detract from what they think of the Virgin brand. The link to the



Agosto106

FÓRUM DE BRANDING O BRANDING NA ERA DA CONVERGÊNCIA

real person in the form of Richard Branson humanises the brand in tandem with its philosophy of people first. The colour red has also served them well over the years.

But there's no standing still or resting on laurels, he explained. Keeping an eye on culture counts, such as the modern student culture which chooses Gervais over Guevara (illustrated in a Gervais-as-Che poster). But identity is about more than a good logo, a truth embodied by the artist Banksy – he's more about what he's saying, not about the stencil approach. Former ITV director Jim Hyntner said: "You can intellectualise brands out of your bottom. I just want our new look to make people feel better," relying on the logo again. Adbusters' parodies of logos debunked this ages ago. But whether you're pro-logo or no logo, how can you argue against Evian supporting the Lido in the face of closure? Rankin said: "Say something, stand for something, but keep it unmediated."

Richard believes it's essential that brands have stories, like The Streets when he was launched into the music market. A Chomsky reading activist, on the other hand, might be more tickled by the intellectual jokes of The Economists' adverts. Authenticity is a great boon. Reebok borrow equity and cool, whereas Boxfresh's recent ads show you real youth in the 1970's. They use that equity but don't try to borrow it.

Affinity is another strength. By being real you create a real affinity. Mobile phones express so much about their owner's personality (Nokia are predicting 70million 3G phones in use by then end of 2005), so brands in mobile space have scope to build very personal affinities. Other clear affinities are found in the Co-op brand's corporate social responsibility, Calmia's transformational ethics ("everything you need for holistic lifestyle"), and Radio 4's emphasis on discussion and thinking.

Finally Richard emphasised trust as a core brand strength, citing Virgin Mobile's tagline of 'Pick me up, turn me on, use me to your heart's content.' Their brand is about access and at the launch of retail there was no con and no contract. Virgin Mobile's proposition was all about communicating and not about technology. To prove just how accessible it is, the customer catalogue gives you all you need to know about the service. Working with Virgin, Start Creative created a bespoke retail identity that wasn't about the corporate manual but about how you flex, as per the localisation of outlets led by the location-specific signage and interactive interior for the basement store below Virgin's music store (formerly Tower Records) in Picadilly Circus.

When they were considering added value Start Creative looked at services like Vodaphone Live, MTV and Sky. They looked at other things filling the moments of boredom. They ended up going for pure, bite-sized entertainment on their mobile phone portal (created by Que Pasa) making "honest sense" out of the WAP technology. And they've engaged with new channels through the Sky red button where 450,000 people spent over 5 minutes in their branded environment without buying anything – the meaning and affinity generated through this added value experience being an end in itself.



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

Chris Clarke - Creative Director, Wheel **Case Study: ABSOLUT Cut**

Launching Cut in the UK, Wheel defined the need for a “grown up” RTD (ready to drink) and were excited over what ABSOLUT could add to the category. Chris Clarke noted the cynicism over current RTD brands and some of undesirable associations they had picked up.

Discussing the ABSOLUT brand, he said it's never been about being the first to do something and it doesn't go in for borrowed equity (ie. sponsoring events or jumping on bandwagons). Instead, ABSOLUT have worked closely with artists developing content around the brand and so developing cultural capital. Wheel settled on the core project of 'updating an icon' because the new bottle still feels homemade and tactile, and it's an alcopop for adults, for people with more evolved tastes. An evolution of the motherbrand positioning of “inspiring creative connections” was required. Hence the strategy of no ATL communications; but a quiet launch to culturally aware urbanites in their mid-twenties, through web, PR and launch parties.

Partnership with Kultureflash

The web was the hub of the campaign, providing a platform for a buzz campaign and a way of rolling out a tease, reveal, dialogue strategy. They chose Kultureflash e-mail newsletter magazine (read by 20,000 people largely within the creative industries) as their partner. The campaign evolved, providing an exclusive inside track on this new ABSOLUT phenomenon. The campaign idea integrated the brand with the audience's interests, combining online with launch event and post event feedback.

At first, some installation artworks were positioned in venues around London (such as 33 Monmouth St) that weren't immediately accessible. Then these artworks, or a suggestion to 'look somewhere in particular' began to be alluded to and mentioned in articles in KultureFlash. Eventually in later newsletters, ads appeared in the newsletter, apparently linking to other websites that were in fact just anagrams for ABSOLUT Cut: Tulsa Tub Co, About Cults, Out At Clubs and A Locust Tub, and the URLs of which were actually staging posts to the main ABSOLUT site.

Photos of their launch parties were posted online and dialogue started through party feedback. The results were good: there were 21,000 visitors during Kultureflash month and a high average “time with brand” spent. As a piece of highly targeted communications it was judged a huge success. The web was the hub of the campaign and provided the brand with a platform for going mainstream next year.



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

Craig Hill – Managing Director, Digital Outlook **Case study: Hitchhiker’s Guide to the Galaxy THE MOVIE**

Craig started with a poll of the audience, finding that the majority has read at least one Douglas Adams book. He explained that Digital Outlook had delivered traditional film campaigns using established approaches, such as the King Arthur media campaign on MSN, but they still felt there were new approaches that could be explored.

The first Hitchhiker’s teaser trailer was released in November 2004 and was part of a new approach. This involved working with the books’ genuine fans, sharing behind the scenes information on the film exclusively; a new approach for film companies, made possible by the close involvement of the distributor, Buena Vista and the film’s executive producer, Robbie Stamp. The dialogue with the fans has been maintained throughout the film marketing campaign, including a number of events and exclusive releases. Ain’t It Cool News plugged it in their Butt numb-a-thon, and Alan Rickman and Bill Bailey were named in a casting exclusive. In January 2005 they focused on filmmakers: a Nick and Garth Q&A and a Stephen Fry casting exclusive.

Responses to the teaser trailer were also positive and this precipitated a rapid spread to mainstream film sites worldwide.

What Craig has taken from this is the value of working with the real fans of recognised properties, marking a genuine step forward complementing other mainstream online marketing techniques.

Dan Bambach - Lateral **Case Study: Levi’s ® Europe**

Dan gave some background on Lateral’s work as the digital agency of Levi’s® Europe. They work Europe-wide and on a local level with Levi’s ® Europe offices in 7 locations. The Levi’s ® Europe website was re-launched in 2003 with an initial brief to regain control of digital through innovation, address 15-24 year old guys and girls, concentrate on creating a novel brand experience, and provide effective digital experiences and toys, all with ATL campaign support. This approach served them well resulting in a 50:50 gender balance, age range on target and purchase intent increased.

Levi’s ® Europe is moving off-site and going multi-channel in order to provide richer interactions, Dan explained, ways for people to create and contribute as well as consume, word-of-mouth experiences, and developing properties with a longer life-span. Lateral and Levi’s ® Europe are just embarking on this approach, with LDAA (Levi’s Digital Arts Awards, a platform for European-wide content contributed from young people to be judged by their peers), Girls Only, and their mobile application, MAX.



Agosto106

FÓRUM DE BRANDING

O BRANDING NA ERA DA CONVERGÊNCIA

How does mobile fit into this picture, asked Dan. It's not presentationally or interactively very advanced, it's not suited to casual browsing. It's not easy to transfer people to other/ richer channels via mobile. In short, mobile is not great for 'brand experiences'. But in other respects the fit is good. It's well suited as response/ recruitment mechanism, and it's a very personal channel. Mobile can pick up on peoples 'down-time', and the advent of 3G is driving awareness. Crucially, people accept and expect to interact with brands through this channel.

In terms of operating in this context, Dan said there's no harm in using direct response SMS, but you shouldn't just jump in and create a gimmick. The offering has to be relevant to the channel. You need to justify to the consumer the cost of getting involved. And you need to make it broad/ cross-channel. He addressed their creation of the MAX application with these factors in mind.

Based on a Java Application, the MAX app works on a range of handsets. Lateral designed it and hired another company to build it. It allows users to compose tunes and upload to eu.levi.com, download others' tunes and remix them, and allows visitors to listen to and use compositions as ring tones with the option of rating peers' compositions. Dan considered this a model property insofar as people can interact with it to different degrees and in different channels. Visitors generate content for eu.levi.com and people can take content away with them. Those that use the application spend time interacting positively with the brand in the mobile channel. Development of the MAX application after launch will be ongoing.

The eu.levi.com website was also adapted for WAP. Its WAP edition was made to support 'Midsummer' - a heavy push for Levi's. It offered a preview of the new advert before any other channel and they used SMS from eu.levi.com to aid the jump. It was used mainly to drive Max take-up.

Levi's ® Europe began to extend the brand through the MAX Competition. This is the first use of the MAX property and, inverting the ring-tone industry model, will take a tune composed using MAX, re-mix it and cut it to vinyl. Industry pros have come on board as judges, and Lateral see it as a novel way of digital breaking back into 'analogue' channels.