Chapter- 9

Internet As An Instrument Of Brand Building And Leveraging
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**Internet As An Instrument Of Brand Building And Leveraging**

**Introduction:**

There is no need to repeat the importance of Internet in today's business world. Researches and practical day-to-day experiences have showed its rate of growth. The speed of evolution of paper economy could be described as leisurely, if not painstakingly slow. In contrast, the speed of evolution of the electronic economy is extraordinarily fast and unprecedented (Bloor, 2000). And it has an all-embracing power. Its influence can be felt in all spheres of life.

"The Internet is moving too fast to be measured. It's a new industry. Knowledge is scarce. Few people know what they want, what they would use, what they would be willing to pay for... until they are given a real world choice". (Ries and Ries 2000)

But selling is only a tiny fragment of marketing. While most researches focus on the success of Internet as a selling medium, it seems that the potential of the web as a brand-building tool is getting overlooked. As Peterson *et al.* (1997) comment that the Internet can provide an efficient medium for accessing, organising and communicating the Internet's interactivity potential and the opportunity to build relationships with individual information, and Chaffey (2000)
focuses on consumers. Similarly, the level of customer service and personalisation provided by different online companies is found to vary widely (Hewson and Coles, 2001).

Public relations practitioners state the Internet represents a tremendous opportunity for companies to build relationships with their publics and claim they are more capable to design effective content for the Internet (Krauss 1999). Regardless of the perspective of advertising people and Public Relation professionals, there has been little debate between them concerning the significance of the Internet, with both agreeing that the medium is continuing to change and will strongly impact consumers in the future. In fact, studies have shown that preparing students to work with and understand the Internet is a critical industry issue, that is presently faced by the advertising education (Murphy, Burns, Leckenby, Morrison and Richards 2001).

The significance of the Internet has been found to be so important and overwhelming that, scholars have questioned whether advertising and public relations curricula in different educational institutions are keeping pace with the need of the time (Gustafson and Thomsen 1996; Rust and Oliver 1994).

Internet is not just a selling place of goods and services only, it has the potential of a brand-building medium and it can be used for brand building purposes too. Here in this paper we wish to show how companies that find selling difficult on the Internet (e.g. Cars, Perfumes...
etc.) are coming to the net to build their brands. Internet is now used to create a positive awareness about their products and services. In this chapter we wish to highlight to the business practitioners and academicians the different successful techniques of brand building that are coming in to vogue with the help of case studies.

Advertising is an important part of marketing, and with the advent of Internet the world of advertising is facing a sea-change. Advertising can more targeted, and more pinpointed than ever before. Here in this part we shall take up the study of how branding can be achieved and brands can be leveraged with the help of Internet. But before delving into branding we shall briefly discuss the tools or weapons that Internet provides us for doing so. Here we shall briefly take up i) Permission Marketing ii) Affiliate Marketing iii) Viral Marketing and iv) Brand Leveraging

Here we shall give special focus to Brand Leveraging, and with the help of a few real life case studies shall clearly illustrate how wonderfully the multinational companies are using the Internet to enhance the brand value of their products

**Permission Marketing**

The phrase permission marketing was coined by the author Seth Godin to describe the strategy of obtaining permission from customers before sending them information or promotional messages (Godin, 1999).
Godin's premise is that by obtaining permission to send information to consumers up front, companies are much more likely to be able to develop a customer relationship. When consumers agree to receive promotional messages, they are *opting-in*; when they decide they do not want to receive such messages, they *opt-out*.

Most consumers need an incentive to spend time reading promotional material, or to provide personal information companies can use to improve their own marketing. Godin's former company, Yoyodyne, pioneered the creation of online sweepstakes and games that gathered information from participants in return for the chance to win money and prizes. Another company, portal Iwon.com, gives users the chance to win money each week for visiting the site; each month the company offers special bonus prizes to users who are willing to complete a more in-depth survey about their personal life. The site gains useful personal information and the user earns the chance to win a free prize.

A key component of permission marketing is e-mail. In addition to being one of the most widely used Internet applications, e-mail has become a very effective marketing tool. Companies request e-mail addresses from customers and then send marketing messages of potential interest; some marketers issue such messages regularly, even weekly, while others do so only when something relevant comes up. Not only is it inexpensive to send, but it is also targeted, measurable, and effective.
**Affiliate Marketing**

In the offline world, referrals are one of the best sources of qualified leads. Affiliate marketing is the online application of this marketing method, where one Web site agrees to pay another Web site a commission for new business opportunities it refers to the site. The affiliate adds a link to the company's Web site on its own site and encourages its visitors to patronize its marketing partner. Some affiliates are paid a commission based on any sales that are generated, while others may be paid a fee based on number of click-throughs or new registrations, or a flat fee, or some combination of these.

For instance, Amazon.com has a strong affiliate program consisting of more than 500,000 participant sites, called Associates, which receive up to 15% on sales their referrals generate. Ebay's Affiliates Program pays $4.00 for each visitor who becomes a registered user. Amazon and eBay and other large e-commerce companies with affiliate programs typically administer such programs themselves. Smaller e-commerce firms who wish to use affiliate marketing often decide to join an **affiliate network** (sometimes called an **affiliate broker**), which acts as an intermediary. The affiliate network brings would-be affiliates and merchants seeking affiliates together, helps affiliates set up the necessary links on their Web site, tracks all activity, and arranges all payments. Leading affiliate networks include Commission Junction, BeFree, and LinkShare. In
return for their services, affiliate networks typically take about 20% of any fee that would be payable to the affiliate.

A key benefit of affiliate marketing is the fact that it typically operates on a "pay for performance" basis. Affiliates provide qualified sales leads in return for pre-agreed upon compensation. Another advantage, however, is the existence of an established user base that a marketer can tap into through an affiliate immediately. For affiliates, the appeal is a steady income — potentially large — that can result from such relationships. In addition, the presence of another company's logo or brand name can provide a measure of prestige and credibility.

Affiliate marketing can have some drawbacks, however, if not managed carefully. Too many links that are not relevant to a firm's primary focus can lead to brand confusion, for instance. Affiliate marketing works best when affiliates choose products and services that match and supplement the content of their own Web site. Web sites with affiliate links also risk "losing" those customers who click on a link and then never return, unless the Web site takes action to prevent this, such as by having the link open a new window that when closed returns the customer to the original site.

**Viral Marketing**

Just as affiliate marketing involves using a trusted Web site to encourage users to visit other sites, **viral marketing** is the process of getting customers to pass along a company's marketing message to friends,
family, and colleagues. It's the online version of word-of-mouth advertising, which spreads even faster than in the real world. In addition to increasing the size of a company's customer base, customer referrals also have other advantages: They are less expensive to acquire since existing customers do all the acquisition work and they tend to use online support services less, preferring to turn back to the person who referred them for advice. Also, because they cost so little to acquire and keep, referred customers begin to generate profits for a company much earlier than customers acquired through other marketing methods (Reichheld and Schefter, 2000).

Half.com's Refer-a-Friend program is an example of viral marketing, where registered users at the site selling used books, music, movies, and games are given an incentive to tell their friends about the site — $5 if the friends buy something. Users clicking on the Refer-a-Friend icon at the Half.com site are asked to enter the first name and e-mail address of friends and family they want to tell about the site. Half then sends out a brief e-mail inviting the friends to visit the site and enjoy a $5 coupon off their first order of $10. When any friend spends $10, the first user gets a $5 referral fee. Because its business is growing by word of mouth, Half.com's customer acquisition cost is less than $10 per customer (Reichheld and Schefter, 2000), which is impressive since online customer acquisition can cost 1.5 to 2.5 times what it costs in the physical world (Kenny and Marshall, 2000).
The process of viral marketing can also involve users who do not know each other. When a consumer decides to make a major purchase, such as a new mountain bike, getting advice and opinions from people who own such bikes is usually the first step. And with the Internet, it is fairly easy to find and read reviews of various bike models written by knowledgeable consumers. Sites such as Epinions.com and ConsumerReports.org provide objective product reviews by people who have bought and used a long list of products and services. Armed with feedback and input from online aficionados, consumers can then click through to an e-commerce site and make a purchase. Epinions has links to a number of affiliate e-tailers who pay a fee back to the site for each purchase that originates there. CNET does the same thing, providing high tech product reviews and links to online retailers who can immediately ship the desired item.

The very term "Viral Marketing" may sound unpleasant but its effectiveness is surely not. The very concept of viral marketing is to use others database to propagate itself; just like a computer virus or a common influenza virus moves. Virus often being infectious in nature, moves to immediate next man it comes in contact with from its owner. Thus, it spreads with a great speed. However it should be remembered that as all people are not equally susceptible to a single virus, so also all people could not be influenced by a single marketing strategy. But irrespective of this factor Viral Marketing has a great success in the world of Internet.

Some of the most effective viral marketing elements are:

Branding - 8
• Give away free products or service.
• Ease of transfer from one to another.
• Can effortlessly get into a snow-balling effect.
• Exploit common motivation and behaviour.
• Takes advantage of the communication networks.
• Utilizes others’ resources and contacts.
• It spreads almost imperceptibly.

In fact, hotmail.com has used all these elements very successfully. To illustrate the concept of viral marketing in the Internet world few companies are found to be as successful as hotmail.com. It is because of this we take up a detailed look at the case study of hotmail.com.

A BRIEF HISTORY OF THE MAKING OF HOTMAIL.COM:

Sabeer Bhatia, the CEO of Hotmail, is one of those personalities of whom we Indians can be proud of. He came to the United States in 1988 to attend Caltech and then received a master degree in science from Stanford University in 1993. While at Stanford, Bhatia met many entrepreneurs and eventually wanted to start his own company. After Stanford, Bhatia worked as a systems integrator at an Apple Computer subsidiary, Firepower Systems, where he met Jack Smith, Hotmail’s current CTO. Bhatia and Smith saw their peers making fortunes on Internet ideas and they wanted to do the same. But the problem he soon realized was that he only had an engineering background and no experience in management or in developing business.

Bhatia and Smith originally thought that they should try something in writing a Web-based personal database tool called JavaSoft, because after all engineering and computers were their main strength. Their concept was to build a relational database that could be accessed on the Web. We all know that starting a new business needs a
lot of discussion arguments and analysis. But as they were both working full-time, they had to find time outside the day's work to strategize, plan, and prepare for their database. This proved to be the biggest inconvenience for both of them. They were having difficulties in effectively communicating and exchanging ideas with one other when they were in different locations. In fact, it is this very problem that helped them to create the Hotmail. (Do we need to say the old truth that "Necessity is the mother of all invention")

The story goes thus, one day while Jack Smith was driving to his home in a suburb of Silicon Valley, he came up with the idea to use the Web as a means for personal communication. Till then the Web was used mostly as a directory of information than a direct communication tool. He was struck with the idea of a communication tool and called up Bhatia immediately.

Soon Bhatia and Smith started to focus all their energy on this new concept of allowing everyone to access e-mail from any Web browser. They recognized the immense potential demand for this product. The work world was moving towards a more global and mobile work force. For people on the move, it would mean gaining access to an electronic mail from any portal, desktop, laptop, or dial-up. By removing the physical constraint of subscribing to an Internet service provider (ISP) or an e-mail provider, they wanted to make emailing and messaging communication faster, more convenient and cheaper than ever before.

Instead of making money on the service, Bhatia and Smith decided to provide the service for free. This was the best way to ensure that the service would catch on. Their moneymaking concept was to charge advertisers for access to their subscriber base. Not only would they provide access to subscribers but their ability to track subscribers' surfing habits and demographic information would allow advertisers to customize advertising information as well.

In fact it should be noted that the success of hotmail lies here. The duo
has encashed on the idea of interactivity and the core advantage of internet that tracking the surfing habits of the subscribers and not just getting more people to the website and having advertisers there.

As they developed their new business idea, Bhatia and Smith never gave up their initial idea of relational database concept. They continued their work in this arena. In the meantime, the Hotmail concept crystallized. Bhatia and Smith realized that their next step was to raise capital. Their combined personal investment of $4,000 was not going to be sufficient to make their dream come true.

**GENERATING FUND:**

In December 1995 Bhatia and Smith went to the venture capital firm Draper Fisher Jurvetson (DFJ) to sell their idea of a Web-based database. They originally had no intention of mentioning the free Web-based email because they were suspicious that the venture capitalists would steal or exploit their idea. However, DFJ was not impressed with the database idea. DFJ partner Tim Draper recalls, "They were promoting a database product that other people already had. We were about to show them the door when they mentioned the free e-mail idea." Seeing that their idea of a new business is close to an end Bhatia and Smith had to reveal their trump card. Once on board, DFJ granted Bhatia and Smith approximately $300,000 in funding, in lieu of 15 percent of the company (Mitra, 1998).

Apart from monetary funding, DFJ gave Hotmail its start in what proved to be one of the most successful campaigns of "viral marketing." Viral marketing refers to product or service design that induces the users themselves to market the product (or service) simply by using it. However, the main idea of viral marketing came from the venture capitalists, which suggested that each Hotmail message should end with an "advertisement" directing recipients to the Hotmail site for their own
free e-mail account. In an interview in *Far Eastern Economic Review* (Sept., 1998) Draper, recalls, "When we first suggested it, they were taking the purist point of view, saying 'We can't do that—it’s spamming!' [delivering junk e-mail]. But by the end of the conversation, it dawned on them that it wasn't much different from running a banner ad." The result of this simple marketing device was an explosion of Hotmail's subscriber enrollment. Later *Red Herring* very aptly commented that, "Draper Fisher Jurvetson came up with the concept of viral marketing, perhaps the most influential idea in the Internet Economy right now."

**THE INITIAL STAGE:**

A lot of strategic decisions were made right there, in the initial stages of the business. Initially, they identified three marketplaces. One was the consumer market, which was huge. The second was the corporate market, which meant becoming an application service provider for e-mail over corporate intranets and extranets. And the third was to create a packaged Web e-mail product with Hotmail's software and actually sell it to corporations. Initially Sabeer Bhatia decided to stay away from the last two market areas because of shortage of funding and decided instead to concentrate exclusively on the consumer market.

A month before the launch, Hotmail's cash box was absolutely running dry. But Bhatia persuaded the original 15 employees to stay with Hot-mail for only stock options. At that time in Silicon Valley, jobs were easily available and high salaries and stock options were used to attract employees from other companies. Bhatia commented later - "My greatest accomplishment was not to build the company, but to convince people that this is their company. I showed people how this would ultimately benefit them.... We initiated the avalanche."

And at last the product was launched on July 4, 1996, operating on two primitive computers. That day, the founders constantly received
the number of new subscriptions to the site by beeper. After starting with
100 subscribers in the first hour, Hotmail grew to 100,000 subscribers in
a month, and reached a million in less than six months. That is all viral
marketing is all about, if it is played according to rules it can create
havoc in almost no time. Hotmail was universally and easily accessible
because, like other websites, it could be reached through any Internet
service provider.

However, such unexpected explosive growth was not completely
hassle free. Early on, Hot-mail experienced intermittent service outages
because of very high consumer demand. But unlike Juno, an early
competitor, Hotmail never restricted the number of users who could
adopt the service. Instead, Bhatia was continuously boosting and
bettering up the service’s networks, firewalls, and security programs.

Bhatia understood that product-wise reliability and ‘ease of use’ of
the service were the key ingredients of success and the creation of a
trustworthy product. In early 1997 Hotmail implemented a new, highly
scalable and strong architecture. This new architecture was capable of
sustaining more than 50,000 new users a day, sending and receiving
millions of e-mail messages daily, and achieving response time in less
than a second regardless of system load. The system itself was out-
sourced to Exodus, a company who is a leader in managing data centers
for mission-critical Internet operations, to ensure constant uptime of all
basic operations, including the Internet connection, server hardware,
and power. Hotmail was really gasping just to keep pace with the growing
demands of its service and to implement innovative technologies.

Hotmail’s Web-based model was specially designed to be fault-
tolerant and reliable for its high-volume traffic. Its system architecture
featured dynamic load balancing and fully redundant storage, power,
and processors that would allow the Hotmail system to scale well beyond
the 10 million users it had in January 1997 and to provide a highly
reliable and responsive service worldwide. “We’re particularly excited
about the load balancing design of this architecture," said Jack Smith. 

"When [users log] on to Hot-mail, they get the least busy path to their e-mail, which dramatically enhances their online experience:" Hotmail's performance goals included providing millisecond system response time and delivery of Hotmail-to-Hotmail messages within five seconds. Which was indeed a great achievement at that time. Every Hotmail Web server was backed up by hot standby and hot swappable servers that immediately would pick up the workload in case of a failure. Thus, a great care was taken to make user experience fast Internet emailing service, which was, of course, fully dependable. And it is no wonder that Microsoft cited technology as the main reason for its interest in Hotmail. Hotmail had proven that its technology and systems could handle an enormous amount of e-mail, and could easily handle even more.

Another major cause of service slowdowns was due to "vicious attacks from e-mail marketers using the service to deliver unsolicited electronic mail." After numerous user complaints about junk e-mail, Hotmail came up with several methods to help its users deal with junk e-mail, or so-called spamming.' For example, users were provided with filters that redirected junk mail directly to with several methods to help its users deal with junk e-mail, or so-called spamming. For example, users were provided with filters that redirected junk mail directly to the trash bin. In addition to that, Hotmail installed automatic controls that observed the mailing behavior of individual customers.

**GROWTH AND COMPETITION:**

Hotmail grew very quickly, attracting thousands of new users daily. Lets have a brief look at the growth rate of hotmail.com:
<table>
<thead>
<tr>
<th>Date</th>
<th>Total Number of Subscribers</th>
<th>New Subscribers Everyday</th>
</tr>
</thead>
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<td>July 1996</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>August 1996</td>
<td>75,000</td>
<td>3000</td>
</tr>
<tr>
<td>October 1996</td>
<td>250,000</td>
<td>8000</td>
</tr>
<tr>
<td>November 1996</td>
<td>500,000</td>
<td>10,000</td>
</tr>
<tr>
<td>January 1997</td>
<td>1,200,000</td>
<td>12000</td>
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<tr>
<td>March 1997</td>
<td>2,000,000</td>
<td>20,000</td>
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<tr>
<td>July 1997</td>
<td>5,000,000</td>
<td>30,000</td>
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<td>September 1997</td>
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<td>October 1997</td>
<td>8,500,000</td>
<td>60,000</td>
</tr>
</tbody>
</table>

By July 1997, Hotmail had over 5 million subscribers, making it the largest e-mail provider in the world after America Online (AOL). The site generated more than 8 million page impressions per day and had 30,000 new users sign up daily. It was found that 25 percent of free mail users logged on every day and 50 percent logged on every week, making the business even more attractive in terms of eyeballs for advertising dollars.

While Hotmail was establishing its presence as a free Web-based e-mail provider, it had to face a number of competitions in the market. The market soon became segmented into Web-based e-mail providers and Internet service providers.

**GROWING COMPETITION IN THE MARKET:**

Juno was a service launched in April 1996, just three months prior to Hotmail, and offered customers a free e-mail account. But unlike hotmail the users need to install software and use a dial-in modem in order to access the e-mail account. Thus for Hotmail user one needs to have his own Internet access, but for Juno users, they received the access as part of the offering, but this access could be used for the purpose of email only. And when user characteristics were compared it was found that over 40 percent of the Hotmail's users were international.
compared to Juno's strictly domestic user population.

So what went wrong for Juno? Why did not it get the success as hotmail, in spite of the fact that it started earlier than Hotmail? Why didn't the theory of Viral Marketing work for them and why did it work for Hotmail? Was it just a chance factor?

No, it was not a chance factor. It was all a matter of strategic marketing moves. Juno was an Internet access provider like, say, our own Satyam or VSNL, and to add value to their product they provided for a free email service to its users. So, if someone in India receives an email from a Juno user, then he will be in no position to be a Juno email subscriber, because Juno is not available in India and it is not just an email program it is an Internet access.

But management thinkers can question if it did get success in the USA? Well, it did. As Media Daily (November, 1997) reports Juno Demand for free e-mail was so great that in early 1997, Juno had to limit the number of new subscribers. By October 1997, Juno had about 3 million subscribers. In November 1997 Juno got into a marketing alliance with Market Facts. Market Facts was attracted to Juno for one major reason. Juno claimed that its own subscriber base visited its site more frequently than that of the competing subscriber bases.

Four11, an Internet white pages directory of e-mail addresses, launched a free Web-based e-mail service, Rocket Mail in March 1997. It acquired a user base of 700,000 by September 1997 with 7,000 new users a day. DFJ, the same venture capital group that sponsored Hotmail backed the company. Yahoo acquired the service in October 1997 for about $100 million.

Other Web-based e-mail providers included iName, which began offering free e-mail in mid-1996. WhoWhere launched its Web-based free e-mail
in March 1997 and reported more than 1 million users by December 1997. WhoWhere had partnership with other websites, one of which is Excite. The Excite Web engine launched its own version of free e-mail, MailExcite, in July 1997 and had established a user base of 100,000 in just two months period.

It was indeed a time of trouble for free email service providers. First the competition was growing tougher and tougher everyday as new email service providers were entering the web. Secondly, the users wanted to have more value. Entering a portal and checking the email there is what users started liking. Thirdly just simple advertisement revenue model was not enough to sustain in the market. USA.Net launched NetAddress, a Web-based e-mail service, in April 1996 and had almost 2 million members by December 1997. Its revenue model was initially the same as that of Hotmail, advertisement only. But as the market became more and more competitive it had to charge the subscriber too. Soon its user base declined considerably.

With the free Web-based e-mail market heating up with an increasing number of competitors and consolidation in the industry, Hotmail had to figure out quickly how it should continue to grow and achieve profitability. Not many options were left with Hotmail. First it could go into making a portal of its own, instead of joining hands with others. Because Portals were the money generating centers around that time. But that would cost a great invest of money. And the
competition was not slim either. In that case hotmail would either have to go to public to generate fund, like that of AOL and CompuServe; or it has to go to the Venture Capitalist again.

Second it could change its existing revenue model charge a fee for its service, like that of USA.Net. But then the popularity would surely come down along with its user base, which in turn would affect the advertising revenue. It isn’t going to very profitable in the long run.

Third option was to sell it out.

Hotmail decided to sell it out. This was a tough decision but indeed a great decision. It was tough because hotmail was made by the owners of it. It was the hand-work of Sabeer Bhatia and Jack Smith, so it goes without saying that a lot of emotion was involved with this company. It was a good decision because Bhatia realized that Internet and the web world were in the initial stages of forming. It shall still go through many changes, ups and downs before a stable landscape is formed. Even a few days ago money came swarming in the free email business, now its gone. Now money comes swarming in the business of portal (though it needs a great deal of money to maintain it) but it may die down tomorrow. So selling it out to a big existing portal was a good decision.

EPISODE:
In fact the case study of Hotmail ends here. But it shall be an injustice to if we don’t retell the story of what happened during the deal. Sabeer Bahtia is indeed a great bargain maker and presenter. The story as
reported by Bronson (1999) goes thus: “Microsoft’s first offer of $200 million served as an appetizer for the discussion.” Bhatia knew well that Hotmail was the fastest-growing free Web-based e-mail system in the world. It had more than 9.5 million subscribers and was the 12th most visited website as on December 1997. So he countered saying that Microsoft must be “very poor” to make such a small offer. The tense and heated discussion with the six Microsoft managers lasted quite some hours. Microsoft piled cash upon cash on the table, but Bhatia did not bend down. The bargain went on and on. In the end the deal; was settled for a whooping 400 million dollars.

**Leveraging Brands**

Perhaps the most successful online customer acquisition strategy is brand leveraging (Carpenter, 2000). **Brand leveraging** refers to the process of using the power of an existing brand to acquire new customers for a new product or service. For instance, while Tab was the first to discover a huge market for diet cola drinks, Coca-Cola ultimately succeeded in dominating the market by leveraging the Coke brand to a new product called Diet Coke.

In the online world, some researchers predicted that offline brands would not be able to make the transition to the Web because customers would soon learn who was offering products at the cheapest prices and brand premiums would disappear (price transparency) (Sinha, 2000). But this has not occurred. In retail, firms such as Kmart, Wal-Mart and JCPenney have leaped into the top ten online retail firms in a very short period in large part because of the strength of their offline brand, which gave them
the ability to attract millions of their offline customers to their Web sites. In the financial service industry sector, firms such as Wells-Fargo, Citibank, Fidelity, and Merrill Lynch have all succeeded in acquiring millions of online customers based on their large offline customer bases and brands. In the content provider industry, the Wall Street Journal and Consumer Reports have become among the most successful subscription-based content providers. In manufacturing and retail, Dell Computer has been very successful in leveraging its brand of custom-built computers ordered by telephone into a made-to-order computer ordered over the Internet (Kraemer et al., 2000). A major advantage of brand leveraging — when compared to a start-up venture with no brand recognition — is that it significantly reduces the costs of acquiring new customers (Kotler and Armstrong, 2001).

The concept of leveraging the brand with the help of Internet is very new and is understood by a very few marketers. Internet for many is only a channel of selling, people will come and see the goods displayed there and buy them, but the concept of marketing is not equal to selling the two terms are not synonymous. Internet can be user to build the brand and leverage the existing brands.

Brand building has always been a tough job, most of the time the companies take the help of advertising to build their brand equity. Dasgupta and Dutta (2001) have discussed several other ways of creating good brand equity. But the use of Internet was not among them. Here we
take up a few cases to illustrate the point how important Internet can be in building a good brand and in serving the already existing offline customers.

**POLO.COM:**

Times have been tough for almost all types of Internet retailers, including luxury brands such as Boo.com, Ashford.com, Bluenile.com, and Miadora.com. But that has not stopped Neiman Marcus, Saks Fifth Avenue, and LVMH Mo'et, Hennessy Louis Vuitton from starting their websites. The biggest challenge facing these luxury retailers, however, is getting their fashion-conscious customers to shop online more frequently. And the biggest problem for the customer is to touch the products he wants to buy. And even if the customer starts shopping online they have to do so at the cost of offline counters, which in turn may lead to channel conflict.

But Polo has taken a different route altogether. Its web site is not about selling only but about an experience of the luxury brand that Polo is.

The first Website from Ralph Lauren Media was a joint venture of Polo and NBC. Ralph Lauren the maker of the brand Polo has been creating an atmosphere for its product –not only in their advertisements but also in their products since the inception that is about 33 years ago. Indeed, Polo.com has given the world a new gateway to the lifestyle of old money elegance, which of course was created in their advertisements too. It is
with this branding proposition the house of Polo intends to sell its high-end apparel online.

The online business for Polo is a very strategic decision. And unlike other apparel companies they have taken special care not to pave the way for channel conflict. Polo.com is not typically a website for selling and generating revenue. It is more of an effort to build brands. And that is what Polo.com is all about. Polo is not just dressing material; Polo stands for fashion statements. And that is why a link to Polo "weekend wear," for example, summons forth not only pictures, descriptions, and pricing information about caps and overcoats, but photos of Jamie Wyeth paintings and a story about privately owned submarines costing $78 million each. It associates with other such high end luxurious products. Many of its tools actually take the customer away from the products they are trying to buy. Visitors who click on the Ultimate Indulgences button within the site's Cashmere section, for example, can find themselves lost in a seemingly endless gallery of photos and snippets about awfully expensive merchandise. The whole site is meant to be a brand experience.

Another important feature of a 360-degree tour of a virtual store is that it allows visitors to click on whatever they want to buy, from expensive dresses to vintage cufflinks. Polo.com will even arrange for travel to two exquisite hangouts-Little Palm, a Florida island resort, and 'The Point', a former Rockefeller estate in New York's Adirondack
mountains. "If someone is going to buy a $300 cashmere sweater online, they want to feel they are being taken care of, that they can own a piece of the lifestyle from their own homes," says David Lauren, Ralph's 29-year-old son and Polo.com's Chief Creative and Marketing Officer. The shopping experience is more important than the mere product.

Though shoppers may not have always been in control of their experience at Polo.com, the creator of the site seems to recognize the importance of quality customer-service. So, the site features live chat, highlights its toll-free phone number on every page, and allows shoppers to see the contents of their shopping carts at all times. Visitors also can view all of their past purchases. Perhaps the most important of all is that the customers can return merchandise to Polo.com directly with the site, emailing confirmation of its receipt of the items.

A visit to the polo.com is a rich experience, of luxury and opulence. It is not all about product sizes and cheap advertisement slogan. The site creates an aura of richness opulence and extravagance.

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Case Study: Local sites project global image

At the height of the Internet boom, Pioneer, a maker of audio and visual equipment, found itself facing a problem. It wanted to strengthen its brand image but its independent country units were following their own agendas and were creating web sites and other material that varied
widely. The company decided that it wanted unity across all its sites and began looking for a solution.

Raphaël Nolens, web producer at Pioneer, says, "When I joined Pioneer many factions were decentralised, sales and marketing were all doing their own things, and there was no consistency throughout Europe."

Pioneer realised that it had to alter its brand strategy. "A European marketing division was created, but this was during the days of Internet hype when everyone wanted a web site, and so the European sites had created their own, all of which used different databases," says Nolens. "My main task was to unify and consolidate these sites, their advertisements and their brochures. We had to establish a common brand image."

Pioneer held internal discussions to define a solution that would meet the needs of all of its worldwide businesses. "We involved all of the local webmasters, and defined what needs we had," says Nolens. "It was decided that all of the sites had to have the same look and feel. But local information changes from country to country, and although the key topic for the sites was product information a lot of sites did not even have this, just links to other sites where it could be found."

Pioneer then began to evaluate software that could help - in particular it looked for a content management system focussed on product information. "We looked at a few technologies including those from BroadVision and Vignette but did not think that this was the way to go,"
says Nolens. "We needed a best-of-breed solution and one that was flexible, template-based and could be centralized, but with some localized content altering rights. We pitched with several companies and got five completely different proposals."

Ultimately, the company chose a solution hosted by product information management specialist Cedron, as its technology offered the control that Pioneer needed. "We are not selling anything ourselves but we do want to be able to guide our visitors to the product," says Nolens. "Also we wanted a one-stop solution so we only spoke to suppliers that could provide everything: hosting, design and customization. You can choose to have one thing from one company and another thing from another company but somehow you have to gel that all together."

Pioneer now uses the Cedron Product Data Centre, where all the information is centrally stored, maintained and tailored for local needs. The implementation took 10 weeks and the system now hosts 22 product categories, with 300 products, and 45 to 150 attributes per product. It also hosts related images, brochures and manuals, all of which are stored in multiple languages. "We create one master product that is applicable for everyone in the organization, then they add their own rules and specifications," says Rene Jempa, chief executive at Cedron.

Nolens adds that management tools are now in place to control how specific users can alter content. "For example, some people can change
product data, while others only have access to a calendar where they can change dates," he says.

The Case study of Fragrance.com

Introduction:
There is a common belief that tangibility is an important factor while buying a product. The importance of tangibility is not equal in all the product fields, while books, Video CD, Music CD, necessitates less tangibility, Music systems, TV, etc. often need physical touch before final purchase. Perfume of course comes in the second field. Without knowing how the perfume smells customers will never dare to buy it. So it was quite obvious that nobody is going to buy a perfume from the net. But contrary to all these popular believe FragranceNet is doing good business on the Internet.

The success of this brand lies in the fact that it has made the customers believe that the product is a value for money and it is going to be satisfactory. The company has touched the real pulse of customer satisfaction. And so in spite of being a petty company floating on the net who truly appears to be a little David when compared to other big shots, the company is still surviving hale and hearty on the web. For FragranceNet it was a slow and steady process, instead of building a bloated dotcom with too much capital and unrealistic goals to justify the
huge investments, it took the road less traveled and went for customer satisfaction.

The online world of beauty is not at all beautiful. The Beautyscene.com, beautyjungle.com, and Eve.com are panting for fresh breath of business. But unlike others FragranceNet has managed to survive in this turbulent world of online business. However, it looks more like a local store than a big e-biz model. FragranceNet.com, as the name suggests is indeed in the business of selling perfumes and other related products. But to the surprise of many it has not only survived but has made profit form its online venture.

But in spite of all these shortcomings FragranceNet has surpassed most of its rivals. According to PC Data and Media Metrix, in October it had the second-highest traffic numbers in its category. Its modest finances have made FragranceNet rely on thriftiness and performance-based marketing, a combination that has worked better than huge infusions of cash.

"Not having money was really a blessing in disguise. If Venture Capitalists handed you a lot of money and said, 'spend it quickly, grow quickly,' you might be under a lot of pressure to do that," says FragranceNet CEO Jason Apfel. "We didn't have any pressure because we didn't have any money." So instead of building a bloated dotcom with too much capital and unrealistic goals to justify the huge investments, Apfel
built FragranceNet like the small business that it was -- and is. And therein lies a lesson for dotcoms everywhere.

In 1995, a year after Jason Apfel (CEO of FragranceNet) graduated from Towson University; he borrowed $50,000 from his family to start TeleScents, which sold fragrances with a brand name 800 number. The company ran 60-second TV advertisement on CNN and ESPN, and a few radio ads' but even this little exposure did not help the company much. "We really saw limited success," says Apfel, "You really need a lot of money to build an 800 brand. TeleScents's re-thought its mode of operation and in January 1997 with the help of a freelance Web developers it put up a static website -- www.98perfume.com -- to advertise the company's 800 number. And surprisingly it worked pretty well, a surprising number of orders came from customers who had visited the site. The company now decided to add a catalog and an online-ordering function. The initial response was encouraging.

During this time, New York City Venture Capitalist firm Growth Capital Partners invested $100,000 in the company in exchange for a 27 percent stake. (The company raised another $500,000 in July 1999 through its merger with National Capital). Its new website, FragranceNet.com, costs $25,000, and was started in April 1997. Since then FragranceNet has spent $100,000 to redesign and expand the site, Apfel says. The company has kept its expenses down by renting computer hardware and hosting space, which Apfel says costs the firm "a few thousand a month."
For the quarter ending in September 2000, FragranceNet, based on Long Island, NewY, posted an operating profit of $120,000 on sales of $1.5 million. It is not the amount that is important but the very way of doing business is what matters.

This dotcom venture started with a petty amount of venture capital and it never had the luxury of going for a mass-market advertising. Its stock has been suffering on the OTC Bulletin Board at less than $1 per share. Furthermore, FragranceNet went public by merging with National Capital Management, a (now-defunct) public company whose main subsidiary, according to a FragranceNet press release, "purchased life insurance policies for cash, on a discounted basis, from individuals having life-threatening illnesses." To sum up, nothing for Fragrancesnet.com sounds good or promising.

But FragranceNet has grown steadily, recording $330,000 in revenues for the fiscal year ending in March 1998, $986,000 the following year, and $4.7 million in 2000. Along the way, it watched every penny. In 1998, the company spent a very modest 16 cents on sales and marketing for every dollar of revenue, a ratio that stayed the same in 1999 and rose to about 21 cents per dollar in 2000. According to Apfel, FragranceNet spends about $7 to acquire a customer, and over the last two quarters, the average customer order has totaled more than $50. Compared with the huge sums that most Internet retailers spend to acquire customers, these numbers are enviable.
Jason Apfel managed to achieve them by avoiding mass-market TV and radio ads as well as standard CPM (cost per thousand impressions) banner ads. Instead, the company relies on performance-based CPA (cost per acquisition) banner ads, which run on the sites of AT&T, iWon, and Prodigy, among others. For every sale that comes in through a banner ad, FragranceNet pays its advertising partners a commission of 8 to 10 percent of the total sale. "Everything we do is performance-based," says Jason Apfel. "We're willing to pay [websites] x amount of dollars for every customer [they] get us, and we know it's our job to keep the customer."

FragranceNet also keeps its expenses down by running a lean operation - with 25 permanent employees and almost no inventory. Except for gift packs, the company does not keep supplies in stock, instead placing daily bulk orders with its suppliers as demand dictates. When the products arrive, usually the next day, FragranceNet breaks deliveries down into individual orders and sends them off. Even with the two rounds of shipping (free to customers), costs are between 2 and 5 percent of order value, Apfel says. It doesn't hurt that FragranceNet sells a high-margin product. During the last quarter, it posted a gross margin of 43 percent, compared with 26.2 percent reported by Amazon.com.

FragranceNet's success lies in the fact that they have tried in every possible way to keep their customers happy. Besides free shipping for all 3,300 items in its catalog, the company offers free gift-wrapping, discounts of 2 to 70 percent discount on retail price, and a guarantee to
beat any competitor’s price by 5 percent. With every order, the company also sends a free gift (such as a body sponge or a small vial of fragrance; according to Apfel, they cost the company less than $1 each). "All those things combine for a great word of mouth," says Apfel. All these gifts and services helped the customers to promote by word of mouth. And in perfumes and cosmetics it creates a great value. It was an ideal gift site. The products were attractively displayed there was facility of gift packing at no extra cost plus there was discount, which made it more affordable. And so in 1999 the company ranked eighth in the list of holiday shopping. The Patricia Seybold Group, an Internet commerce analysis company, says that FragranceNet "excels in its pricing, shipping, free gift wrapping, and international shipping." Despite its achievements, FragranceNet remains a thinly traded stock, with a market capitalization just under $11 million. But Apfel is confident that the company has a bright future. In the wake of the failures of so many Internet ventures flush with VC money and pipe dreams of multibillion-dollar annual sales, starting out small with modest year-to-year ambitions and a solid profit margin means that at least Apfel has time on his side.

The Case of Automotive Industry

VOLVO TO LAUNCH BROAD NEW DIGITAL INITIATIVE

In 2003 the Volvo Cars of North America has signed a 15-month, multimillion-dollar contract with Microsoft Corp.'s MSN.com to launch
an extensive set of online marketing tools which includes digital garage, virtual showroom and user-controlled 3-D images of different Volvo models.

MSN.com has similar contracts with Toyota and Nissan also. Volvo also has got an exclusive interactive media relationship with AOL.com

**Finding Customers Online**

The exact financial details of the contract between Volvo and Msn were not disclosed. But it is designed to help Volvo qualify and acquire customers online, and also to test customer service and retention programs.

Volvo has increased integrated online activities as the brand pushes to attract a broader and younger customer base.

Under the new deal, MSN.com will make the Volvo Digital Garage; a destination where current and future Volvo owners and enthusiasts can come to find out about models, service and promotions.

**Virtual showroom**

Volvo gets a virtual showroom on MSN Carpoint, with Flash technology MSN has enabled viewers to see models from all possible angles; a total 360 degrees view. The deal includes a co-branded Internet access offer in which participating Volvo dealers will offer three months of free MSN Internet access to customers.

**Web cast of SUV**

"We're running the whole spectrum of programming and technology and
will explore a suite of rich media ad solutions," said Ken O'Donnell, Fuel's interactive media director.

He said the MSN arrangement would enable Volvo to do streaming media and live Webcasts. Plans call for MSN to Webcast the unveiling of the new SUV at the Detroit Auto Show in January.

"The automotive companies want to be highly visible where people are making car-buying decisions," said Richard Bray, vice president of MSN. Phil Bienert, manager of customer relationship management and future product strategy at Volvo, said the deal with MSN will be key to the pre-launch of the XC90 that was unveiled last week and goes on sale next fall. North America is a key market for the SUV. Volvo, owned by Ford Motor Co., said North America is expected to account for about 65% of the XC90's total global sales.

**Digital Garage**

This month, Volvo's Digital Garage goes live within MSN's CarPoint.com auto info site. The area will offer featured Volvo articles and the opportunity for the marketer to communicate directly with prospects. Visitors can also download an MSN-Volvo-branded browser in exchange for free, three-month access to MSN.

Volvo sales are up slightly this year to 107,324 vehicles through October vs. 104,368 units a year ago, says *Advertising Age* sibling *Automotive News*
FORD.COM:

Unlike the popular belief, that banner advertisement is only suited for impulse purchases and it is more avoided than clicked; automobile marketers have become the leading users of “Rich Media” advertising technologies on the net.

("Rich media" refers to the use of generic and proprietary technologies that support the creation and display of browser visual effects including instantly playing video and audio; complex animations; flying or floating animations that can hover over an existing Web page; structures that have a three-dimensional game like essence; and other dramatic features with high visual appeal. Most rich-media effects are best viewed on broadband connections and many require the download and continual upgrading of special plug-in software.)

During the second quarter of 2002 online advertisers from automobile industry used 10 times more Rich media applications than any other marketers. Advertisement from the auto industry takes the largest share of the pie with 37.4%, while study has shown that the average use of Rich Media by other marketer categories was 3.9% (Elkin 2002).

The automobile industry includes carmakers, online auto sellers, such as Carpoint and AutoTrader.com, and other online dealerships, used Rich Media advertising formats more than any of the 12 categories surveyed.

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[The other categories were business-to-business, consumer package goods, entertainment, financial services, hardware and electronics, health, public services, retail goods and services, software, telecom, travel and Web media (publishers and content properties)].

Of all, automobile companies Ford Motor Co. used Rich Media advertisement the most, and its "Expedition" sport utility vehicle was the subject of more Rich Media advertising than any other automobile product.

The question lies why are people not avoiding these online advertisements? Why are they flocking to it? The answer is what we got from a survey of people who have bought jewellery and other such costly items from the Internet. 48% people of our survey have to say that there is a pressure from the salesman when they have gone in to the shop to see jewellery. The salesman wants them to buy the product. One cannot just see the items and then leave. The salesman in the counter wants from them to know what they are there to purchase and what is the budget, there is hardly any chance to see what you like in the entire product category. But that what one can precisely do when one is in an online shop. One can keep on browsing all the product categories, make his or her own wish list and then leave the shop or purchase if one feels like.
So, after all these online marketing efforts what is really happening in the real market? Many traditional thinkers have already reached the conclusion that Internet will die out very soon and all the efforts of using this medium more effectively will sooner or later erode away.

To validate what has already been discussed above we give the following information as reported by www.nau.com.

New researches from Forrester and comScore indicate that visitors to car sites behave differently from visitors to other e-commerce sites. Even serious car buyers, for example, tend not to visit car sites repeatedly. Sixty-four percent of all buyers complete their online research in five sessions or fewer. A quarter buys a car within three months of visiting a car site.

Forrester says there are three types of visitors to car websites: explorers, off-roaders, and cruisers.

Explorers are the smallest group, but almost half buy their new vehicle within two months of visiting a car site. They need a “convenient, explicit buying process”. Off-roaders tend to do a lot of research online and are very likely to purchase in an offline showroom.

Cruisers visit car sites frequently but only 15 percent buy a car in the short term. As they are people with a strong interest in cars, they
heavily influence the car purchases of others so they still constitute important visitors.

Another new study from Vidence published by nau.com in April 10, 2002 indicates that a positive experience at an automotive site increases the likelihood that a consumer will buy a car from that automaker.

According to the study, which looked at automotive sites in the US, Japan, and Europe, over 40 percent of visitors who have a satisfying experience at a site become more likely to make a purchase from an automaker.

However, 31 percent of car buyers are less likely to purchase a vehicle from a manufacturer if they have a negative experience when visiting an automotive site.

The most important factors influencing customer satisfaction at online sites according to survey participants are ease of use/navigation, look and feel, and layout and organization.

Around 69 percent use the sites to view photos, videos and 360-degree views of vehicles, while 64 percent use them to customize vehicles.

Internet and the web world have reached into the very fabric of our life. There is no point in ignoring it anymore. And it also should be remembered that Internet is not just a selling medium. It has many
innovating capabilities; the sooner we explore these uncharted areas of Internet and know it to the fullest the better it is for us.

**The Case Study of Bill Board.com**

John Lerner is vice president and director of operations for VNU eMedia, which is part of VNU USA. Lerner has been running the Web division for the parent company for the past five years and is one of the original founders of the electronic media group. Lerner shared, in a full case study. Billboard's transition to the Internet, the challenges facing the brand, and its successes on the Net.

**Background**

The Billboard brand name has been the premier source of music and entertainment news, information, and services for over 105 years. Billboard is more than just a trade publication; rather, it's a unique chronicle of the music, video, and home entertainment industries. The company's mission is:

To provide maximum new information in the timeliest possible fashion to help our readers do better business. Moreover, since our audience includes a wealth

of experts we aim to offer them surprising and insightful advance knowledge they couldn't possibly locate anywhere else.
Billboard editor's statement. 1999

Billboard has an international audience of more than 110 countries in the world. Billboard is like the "bible" of music to the entertainment industry. It brings out top-notch news and reporting of cutting-edge review. But most importantly it presents a chart of music, which is the most respected chart among all charts.

Facts and Figures about Billboard.

Of the 150,000 readers of Billboard:

• 13% spend more than 40 nights per year in a hotel (average 21 nights for all readers).

• 54% have purchased audio equipment in the last year or plan to purchase audio equipment in the coming year.

• 23% take 10 or more airline trips per year.

• 52% have purchased computer equipment in the last year or plan to purchase computer equipment in the coming year.

• 46% use a cellular phone with an average monthly bill of $183.00.

• 29% have bought or leased a luxury car in the last year or intend to buy or lease a luxury car in the coming year.

[Source: 1998 Readership Survey compiled by Harvey Research.

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**Billboard Branding (Pre-Internet)**

- Billboard magazine. Weekly global coverage reaches over 150,000 readers in 110 countries. The music and entertainment industries' authoritative voice, Billboard conferences. Hosted Billboard's expert editors, these major conferences bring industry leaders together to exchange opinions and to network.

Billboard directories. Billboard Music Group offers directories providing essential information on every facet of the industry - the "definitive" who's who for the entire music and entertainment world.

- Billboard Entertainment Marketing. Drawing on an international name and logo, Billboard Entertainment Marketing develops powerful licensing opportunities including world-class partnerships with Fox's top-rated Billboard Music Awards show and ABC's American Country Countdown.

Extensions of the brand. Targeted publications include Amusement Business, which is the premier publication for the live entertainment and amusement industries; Musician, which addresses the needs of today's active musicians and Music & Media, the leading pan-European trade for weekly radio and music industries.

**Moving the Billboard Brand Online**

Billboard possesses a powerful brand name. With a century of brand equity, the company was able to move the brand online to face new
challenges and meet new successes. It was the brand name that was a major part of the process, making the Web a "no brainer." Billboard was able to leverage the brand on the Internet, not only as a business-to-business product but also as a business-to-consumer product. The Web afforded Billboard the opportunity to extend its reach to the consumer market with ease.

**Challenges in the Transition to an Online Brand**

- Utilize the World Wide Web as a viable communication channel to provide content that is consistent with offline brand communication.
- Evolve with technology to sell customers.
- Incorporate the Internet into an integrated online and offline marketing campaign.
- Achieve a return on investment (ROI) for Billboard's Internet venture.
- Face the fear of copyright holders (similar to MP3 issues). Music is based on intellectual property, and you cannot be a publisher and not respect intellectual property.
- Handle unknown barriers that "pop up" unexpectedly along the way with technology.

**Strategies and Outcome**

*Billboard* actually started online as a dial-up site developed to download software, where users could dial up into a proprietary software system. The Web at this point was a means of distribution that was cost-effective
and had a tremendous reach. Then, with the evolution of the WWW companies were quickly learning that Web site technology was a way to sell customers. Suddenly, the Internet afforded *Billboard* a much larger branding opportunity. However, it was always the underlying notion that whether offline or online, the brand carried a tremendous power in and of itself. The Web, to *Billboard*, proved to be a viable communication channel. Now, *Billboard* was experiencing audience growth and reach like never before, with female audiences increasing tremendously. On the Internet, *Billboard* does not target a particular market; rather, on the ubiquitous Web. It focuses on a diversified pop culture—the people who follow music will follow *Billboard*. The *Billboard* Web site (www.billboard.com) takes brand content online with interactive experiences beyond charts and articles. The Web allows *Billboard* to have areas of multimedia for audiences to enjoy. Never before have the *Billboard* charts had sound clips accompanying them. The Web site also brings *Billboard* videos to its audience. Initially at times *Billboard* faced slight technological glitches such as having a radio show that had to change from "streaming" to video "on-demand." But before it could make any damage to the brand they were corrected.

The power of content from Industry experts and the multimedia experience on the site leverage the power of the brand in cyberspace. Was the transition ever a concern for the Billboard print publication? Would there be cannibalization of the offline brand? This is always a
concern, but for *Billboard*, more so with tertiary audiences. With clever marketing strategies to drive traffic between print *Billboard* and online *Billboard.com*, the issue is minimized. For example, the *Billboard* URL is added to the folio of all the magazine's pages. And in addition to *Billboard* Internet audiences' enjoying the site, the *Billboard* weekly publication is still considered the "bible," with everything based on the magazine. At the same time *Billboards* is considered the top music information source on the Web. The site is trafficked with over 8 million monthly page views and more than 1.6 million monthly visits. It did not take long for *Billboard* online to become established as the industry's best source of Internet information and the "hot" destination for loyal *Billboard* followers worldwide. As a result, audiences expect the Web site to be current and up-to-date an attribute of the *Billboard* brand. This attribute is reinforced on the Web with a site that is updated twice daily to maintain the brand image. *Billboard* online gives visitors access to historical archives (10 years of past *Billboard* articles and 40 years of past *Billboard* charts), concert reviews, album previews, online conference registration, and a tour of the search database. In addition to constantly updating information, *Billboard* regularly augments design, although initially it exhibited a skillful approach in building a Web site that was user-friendly and allowed visitors to navigate easily. The Web site content, of course, is fresh and always pertinent to the industry (consistent communication with the offline *Billboard* brand).
Also as a result of Billboard's transition online, there are various opportunities for professionals in the music industry to create a Web page and profile an artist on the Billboard site. An icon on the homepage, with album cover graphics, is prominently displayed to reach millions of consumers. These feature pages allow artists to display album reviews, images, and artist information, to include links to record label sites and retail information, to insert sound and video clips, and tour listings and appearance information. In addition, the Billboard Bulletin, the daily calendar that concentrates on the essentials of industry news, is also found online (by fax as well) to provide the "scoop" that every well-informed industry executives need. Via the Internet, global business learns about executive moves, the latest labels, artist signings, and retail activity.

Billboard, through the power of its brand, has made the transition to the Internet smoothly and successfully. The brand continues to thrive and fulfill audience expectations in the music industry by maintaining its position as the premier source of music and entertainment news, information, and services. Billboard fully utilizes the Internet with its tremendous power to communicate the brand-expanding services to loyal followers as well as gaining new audience reach. Billboard is able to satisfy its objectives both online and offline:

*Billboard analyzes and interprets the present while both anticipating and helping shape the future. We are lonely in our high ideals, determined in*
our high standards, and dedicated to the excellence of a form of news gathering that has its own news making momentum. There is only one worthy adjective for what we [Billboard] do and it's our name: We cover our international beat the Billboard way.

(Source: Billboard marketing materials, 1999.)

**Strategic Moves to Remember:**

- When it comes to information, the Web is a great equalizer. It brings you back to basics—back to the product and the promise of the brand. It equalizes everyone and puts us all on the same playing field.
- Great branded content is key—it starts and ends with the expertise of a devoted staff.
- The brand itself will stay the test of time and should be communicated consistently and across many channels. The Internet, although viable, is only one medium of many to consider.
- The Internet allows immediate feedback from users. Use it to your advantage. Online polls are a great source to guide marketing strategies.
- The Internet affords the opportunity to reach a larger audience with more interaction for users to experience.
- Driving traffic between online and offline media is a key to minimizing cannibalization of an offline brand.
- Grow with technology and use the Web to focus on in-depth areas that could not be experienced offline.