



about the world around us. We may learn from textbooks and classes, but people of all ages who can just sit and talk learn much more than those who do not. One of the areas of learning is in recommendations for products or services. In the past few centuries, our reach has extended beyond that which could be achieved by carriage or letter. The Royal Society was founded in London in 1660 to allow those interested in science to meet and to share information. Today, there are many more people in the world, and much more knowledge. We also have greater ability to transmit and store data. The early bulletin boards morphed into the Forums of Compu-Serve, and then Yahoo Groups (1998). However, as these entities grew, they became less and less targeted and more mass. The result of this is information overload and the inability to identify and reach the specific individuals you need other than passively, i.e. you have to rely on them responding to a mass communication.

## The “Modern” process - targeting

The next step arose out of the ability to let people post individual profiles on a website to that others could search by specific characteristics to reach people with specific knowledge or connections. These formed as networks which were primarily social, such as MySpace, The Face Book, Bebo, and Friendster, or primarily professional, such as

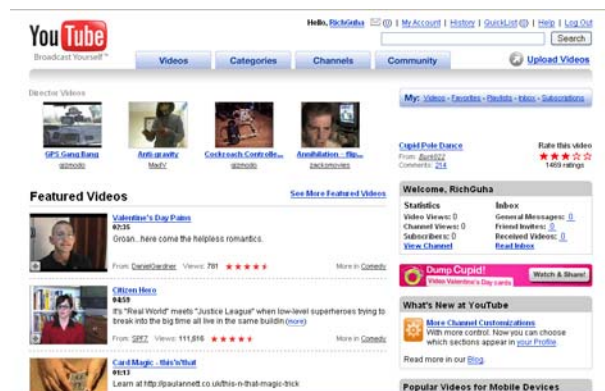


LinkedIn, Ryze, and eCademy. There remains the issue of effectively reaching the right person as well as the ability to build trust online.

YouTube has made an enormous impact. While much of it has been because of its ability to democratize news and entertainment, it is also a network. Posters of videos can be linked to, and members own preferences can be shared, much like an Amazon reading

list. In fact, Amazon.com is also a form of social network, albeit very specialized. This is going to continue to expand, but also these sites will be incorporated into other sites and forms of software.

We are also starting to see social networking sites and “personas” on existing sites being set up to support brands. So we are moving beyond websites as “brochure ware,” to become sites where users can interact to reinforce their own brand loyalty. While initially many companies were nervous about allowing consumers to be in control, more and more companies are learning that consumers demand control, and if they are not given it, they will find ways to take it. So companies such as Toyota (which using social networking software to connect Prius owners), and the NHL are using it to strengthen their base as well as allow prospective members of the community to learn about it online by connecting with existing users.



A few companies such as Intuit and Toyota are using online social networks to connect their own users already. However, while Intuit uses it to allow users to share tips, Toyota uses it to allow owners to boast – not a use which will encourage them to visit again and again. Over the coming years, there will be so many brand based networking sites that in order to stand out, the company will have to provide unique value to the visitor. Just as in the early days of the web, “brochure-ware” was enough, so is the mere existence of a connection now. But as more and more compete for people’s time, the successful ones will have to stand out. For example a user group will have to move far beyond inviting participants to post requests and allow others to reply as they wish. Anything which can take place within a business can also occur in any other closed group. This is the purpose of IBM’s new Lotus Connections software, which has moved beyond its long held expertise in collaborative working. I expect that in the next five years, we will see more of this in user and customer groups. However, as it becomes more and more cluttered, it will become more difficult for the consumer to organize it. There may well be portals, much as CompuServe acted for many software and hardware user groups in the early 90s. This would allow an individual to log in and automatically have access to the most relevant user groups without having to manage hundreds of such groups individually. If there is no solution like this, companies will be battling with non-competing businesses for a share of time and mind. These may turn into “recommendation engines” so that anyone can get peer recommendations on any product. Sites such as epinions are already moving in this direction, where consumers



write reviews, and of course one of the valued features of Amazon.com is the existence of reader reviews. In this system, marketers have no influence at all on the brand positioning and perception. The only way to influence this is to let consumers feel that they are not being controlled and make them part of the process.

Whether marketers like it or not, social networks are changing the way in which brands are disseminated, and this has to be taken into account when

we decide what to say about a brand. Just as the old saying, “the fastest way to kill a bad product is through good advertising” is very true, these days letting consumers feel censored or restricted can do the same.

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