

Welcome to the Network Era

Shaping Brands and the Business

Nike's view of its customers reflects the continuing Web-driven shift in our culture that has, in turn, ushered in a new era of marketing—the Network Era.

Whether it's in establishing a soccer social networking site, its 10K Human Race or a foundation to invest in the "girl effect," "...[we're] not in the business of keeping media companies alive. We are in the business of connecting with customers around the world," says Trevor Edwards, Corporate Vice President of global brand and category management.

Put another way, Product Director Michael Tchao states, "With Nike, you're no longer just buying a sneaker. You are joining the largest global running club." Shoes are its "hardware." Ways to track progress and connect with the like-minded are its software. "It's a very different way to connect with consumers," he adds.

But what motivates the company hasn't changed since Day 1: The need to get product and services into customers' hands as effectively, efficiently, and profitably as possible. It's the underlying dynamics of getting that done that have changed. And the ability to embrace those shifting underlays is one of the hallmarks of the Visionary Marketer—who has seized the challenge to become the business' senior executive in charge of the growth agenda.

The Network Era marks a decided shift for the marketer from control to influence. From communications to engagement and participation. From closed to open, transparent, and authentic. And it's not just customer relationships these dynamics apply to. It's employees and peers outside of marketing. It's shareholders. Influencers count, too—like the traditional media and bloggers, academics, and sometimes policymakers. Vendors can be figured into the network. Or peer businesses.

Managing the network opportunity for your business is no longer optional. The challenge to those who aspire to become Visionary Marketers is to understand and embrace those dynamics and make them work for the business in driving growth. Other benefits will follow, from greater and stronger brand loyalty, to an enriched, invested pool to draw upon to spur innovation, to powerful internal alliances to keep the momentum going.

From Control to Influence

Here's a hard reality of today's networked world that marketers—and management generally—have trouble with. Success demands that command and control of your brand are relinquished. It's a fact that stretches the comfort level of traditionalists who still believe that by controlling the message and delivery vehicles, they can push the right customers to the right channels, paying the right price for the right offerings.

Today's explosion in touchpoints disrupts that tidy old paradigm. In fact, the strong correlation between the strength of the brand and the strength of the customer's relationship with it means the customer's always had some level of control. Ceding some of that will not create chaos, but spur growth and loyalty.

So Adobe has found. It uses its Web site as the focal point of building and extending its brand. The end result, says Ann Lewnes, Senior Vice President of Marketing, has been greatly increased loyalty because "our customers feel they are able to shape our offerings." Likewise, eBay and Google have created tools to allow their customers to create the kind of relationship they want with the company—enabling rather than dictating the relationship.

In this era, the network is comprised of very complex influence patterns, populated by a diverse set of stakeholders. It's characterized by a population that's more likely to trust fellow buyers than marketers and their messages, and makes it critical to identify what moments of truth they absolutely can't lose control of. That recognition set Zappos' strategy of in-house, versus outsourced, customer service. As CEO Tony Hsieh puts it, "We want people to call us. This is how to make the 'message' of Zappos' brand promise stand out."

From Communications to Engagement and Participation

Actively participating in, engaging with, and thus influencing the networks opens the business to myriad opportunities. It has the potential to create a legion of brand advocates. It opens a rich source for innovation and new ideas. It provides access to deeper insights into customer needs and satisfaction with the company (and

its competitors) and the extent to which its brand will stretch to different markets or categories.

Recognition of this aspect of the Network Era led Starbucks' CEO Howard Schultz, early in his second tenure, to launch the company's participative network, mystarbucksidea.com. It encourages customers to engage in active dialog in offering up ideas for new go-to-market offerings, whether loyalty cards or potential partnerships. It took the company's long-standing promise of delivering a world-class customer experience to an entirely new level.

The challenge to Visionary Marketers is to capitalize on their brand networks more effectively, for the importance of engagement and participation grows with each new technological advance. It's pushed Procter and Gamble to alter its proven approaches to testing and awareness building around some of its most critical line extensions, relying on word of mouth and buzz marketing and virtually ignoring mass media. Case in point: its new Crest Weekly Clean Intensive Cleaning Paste. Samples were sent to the 600,000 members of its "buzz marketing program for moms," many of whom Twittered to spread the word virally. The sample was followed by a survey of the network to solicit product refinements. Internal expectations are for another blockbuster in its Crest powerhouse—driven by the network versus the traditional intensive sales force and promotional push of previous eras.

From Closed to Open, Transparent, and Authentic

This last point is the natural offshoot of the others and reflects this reality: Your business and brands are already open and transparent as a function of consumer will. Successfully navigating in the Network Era—and embracing its realities—will shape whether your brand can become, stay, or regain its relevance and authenticity.

Comcast is one that has been forced to think hard about this issue as a virtual monopoly with a reputation for poor customer service, which is discussed widely and often in blogs, Tweets, and other social media venues. It's taken this discontent to heart, aggressively monitoring and stepping up to build authenticity in the online environment. While Comcast can't control the conversation, it can and does monitor it. Its Twittering cadre of customer service people, for example, attempt to step in to resolve issues that could spread virally, to influence outcomes and the conversation's tenor—and add a layer of authenticity to its brand.

In any marketing program, vehicle, or tactic, a business must analyze the opportunities inherent in its brand network to assess which aspects are most relevant to strategic success. While developing a social network may not be right for everyone, participating in the broader network is not optional, since it is being built with or without you. Those that find ways to work within these new dynamics will recharge their ability to meet the never changing imperative of driving growth. 

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