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Building strong brands in a modern marketing communications environment

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To help marketers to build and manage their brands in a dramatically changing marketing communications environment, the customer-based brand equity model that emphasizes the importance of understanding consumer brand knowledge structures is put forth. Specifically, the brand resonance pyramid is reviewed as a means to track how marketing communications can create intense, active loyalty relationships and affect brand equity. According to this model, integrating marketing communications involves mixing and matching different communication options to establish the desired awareness and image in the minds of consumers. The versatility of on-line, interactive marketing communications to marketers in brand building is also addressed.

Keywords: customer-based brand equity; brand resonance; brand building; integrated marketing communications; interactive marketing communications

Introduction

The marketing communications environment has changed enormously from what it was 50, 30 or perhaps even as few as 10 years ago. Technology and the Internet are fundamentally changing the way the world interacts and communicates. At the same time, branding has become a key marketing priority for most companies (Aaker and Joachimsthaler 2000; Kapferer 2005). Yet, there is little consensus on how brands and branding can or should be developed in the modern interactive marketplace.

Traditional approaches to branding that put emphasis on mass media techniques seem questionable in a marketplace where customers have access to massive amounts of information about brands, products and companies and in which social networks have, in some cases, supplanted brand networks. New perspectives are needed to understand branding guidelines in this rapidly changing communication context.

In this paper, we consider how brands can and should be built and managed in today's marketing communications environment. We begin by considering the importance of branding and the different ways that the marketing communications environment has changed. Next, we provide some insight into the concept of customer-based brand equity and the various ways that marketing communications can build brand equity. We then focus on interactive marketing communications and how it should best be integrated to build strong brands. We conclude by offering some notions as to how marketers can take a broader perspective in their marketing communication strategies to build brand equity.

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The role of branding

One of the most popular and potentially important marketing topics to arise in recent years has been the concept of brand equity and the important intangible value that brands bring to organizations. Although marketers may approach the concept differently, there is some agreement that brand equity should be defined in terms of marketing effects uniquely attributable to a brand. That is, brand equity relates to the fact that different outcomes result in the marketing of a product or service because of its brand, as compared to if that same product or service was not identified by that brand.

There is also basic agreement in the following: these differences arise from the 'added value' endowed to a product as a result of past investments in the marketing for the brand; there are many different ways that this value can be created for a brand; brand equity provides a common denominator for interpreting marketing strategies and assessing the value of a brand; and there are many different ways as to how the value of a brand can be manifested or exploited to benefit the firm.

The value of a brand to an organization can be seen by recognizing some of the marketplace benefits that are created from having a strong brand. One review of academic research documented a wide range of possible benefits (Hoeffler and Keller 2003):

- improved perceptions of product performance;
- greater customer loyalty;
- less vulnerability to competitive marketing actions and marketing crises;
- larger margins;
- more elastic customer response to price decreases and inelastic customer response to price increases;
- greater trade or intermediary cooperation and support;
- increased marketing communication effectiveness;
- additional licensing and brand extension opportunities.

Firms will vary in their ability to realize these benefits depending on their own marketing skills and resources and the marketplace circumstances and context in which they operate. Some firms face strong competitive challenges that reduce the likelihood and nature of these branding benefits. Other firms are confronted by tough-minded or fickle consumers who similarly inhibit brand value creation. Nevertheless, if individual consumers or companies are making choices between different products and services, brands and thus brand management will matter to an organization.

One key benefit of building a strong brand, as noted above, is increased marketing communication effectiveness. In a general sense, as a result of the strength and equity of the advertised brand, consumers may be more willing to attend to additional communications for a brand, process these communications more favorably and have a greater ability to later recall the communications or their accompanying cognitive or affective reactions. Brand equity is thus central to the way advertising works, either as a goal in itself or as a mediator to other goals.

These communications benefits and other possible benefits, however, only arise as the result of having a strong brand. Building strong brands is thus a management priority (Aaker 1991, 1996; Kapferer 2005). To build a strong brand, the right knowledge structures must exist in the minds of actual or prospective customers so that they respond positively to marketing activities and programs in these different ways. Marketing communications can play a crucial role in shaping that knowledge.

The changing marketing communications environment

Marketing communications are the means by which firms attempt to inform, persuade and remind consumers – directly or indirectly – about the products and brands they sell. In a sense, marketing communications represent the ‘voice’ of the company and its brands and are a means by which it can establish a dialogue and build relationships with and among consumers. The marketing communications mix consists of eight major modes of communication (see Table 1): the first four can be seen as more mass media types of communications; the latter four are more personal modes of communication (Bennett 1995; Kotler and Keller 2009).

These different types of marketing communications perform many functions for consumers. Marketing communications can tell or show consumers how and why a product is used, by what kind of person and where and when. Consumers can learn about who makes the product and what the company and brand stand for; and get an incentive or reward for trial or usage. Marketing communications allow companies to link their brands to other people, places, events, brands, experiences, feelings and things. Marketing communications can create experiences and build communities both on-line and off-line. They can contribute to brand equity – by establishing the brand in memory and creating a brand image – as well as drive sales and even affect shareholder value (Luo and Donthu 2006).

Although marketing communications can play a number of crucial roles, it must do so in an increasingly tough communication environment. The media environment has changed dramatically in recent years. Traditional advertising media such as TV, radio, magazines and newspapers are losing their grip on consumers. Technology and other factors have profoundly changed when, where and how consumers process communications, and even whether they choose to process them at all. The rapid diffusion of powerful broadband Internet connections, ad-skipping digital video recorders, multi-purpose cell phones and portable music and video players have forced marketers to rethink a number of their traditional practices (Kaplan Thaler and Koval 2003; Kiley 2005).

These dramatic changes have eroded the effectiveness of mass media (O’Leary 2003; Bianco 2004; Pendleton 2004). In 1960, Procter & Gamble (P&G) could reach 80% of US women with one 30-second Tide commercial aired simultaneously on only three TV

Table 1. Major communication types.

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- (1) *Advertising* – any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
 - (2) *Sales promotion* – a variety of short-term incentives to encourage trial or purchase of a product or service.
 - (3) *Events and experiences* – company-sponsored activities and programs designed to create daily or special brand-related interactions.
 - (4) *Public relations and publicity* – a variety of programs designed to promote or protect a company’s image or its individual products.
 - (5) *Direct marketing* – use of mail, telephone, fax, email or Internet to communicate directly with or solicit response or dialogue from specific customers and prospects.
 - (6) *Interactive marketing* – on-line activities and programs designed to engage customers or prospects and directly or indirectly raise awareness, improve image or elicit sales of products and services.
 - (7) *Word-of-mouth marketing* – people-to-people oral, written or electronic communications which relate to the merits or experiences of purchasing or using products or services.
 - (8) *Personal selling* – face-to-face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions and procuring orders.
-

networks: NBC, ABC and CBS. Today, the same ad would have to run on 100 channels to achieve this marketing feat. So although 90% of P&G's global ad spending was on TV in 1994, one of its most successful brand launches in history, for Prilosec OTC in 2003, allocated only about one-quarter of its spending to TV.

A number of forces have contributed to the decline of TV advertising (Briggs and Stuart 2006; Klaassen 2006; Story 2007b). One is the fragmentation of US audiences and, with the advent of digital technology and the Internet, the media used to reach them. There is a proliferation of media and entertainment options, from hundreds of cable and satellite TV and radio stations and thousands of magazines and webzines to uncountable websites, blogs, video games and cell phone screens. Digital video recorders (DVRs) or personal video recorders (PVRs) allow consumers to eliminate commercials with the push of a fast forward button and are estimated to be in 40% to 50% of US households by 2010. And the Internet is estimated to have a US penetration of 200 million users who can choose whether to view an ad by clicking on an icon. For all these reasons and others, McKinsey projects that by 2010, traditional TV advertising will be one-third as effective as it was in 1990.

In this new media environment, the consumer is increasingly in control. Consumers not only have more choices of media to use, they also have a choice about whether and how they want to receive commercial content. Commercial clutter is rampant, and it seems the more consumers tune out marketing appeals, the more marketers try to dial them up. The average city dweller is now exposed to 3000 to 5000 ad messages a day. Ads in almost every medium and form have been on the rise, but many consumers feel they are becoming increasingly invasive and actively avoid or ignore them (Petrecca 2006; Story 2007a), reducing their effectiveness.

Although advertising is often a central element of a marketing communications program in this new communication era, it is usually not the only one – or even the most important one – in terms of building brand equity and driving sales. Consider how one of the most widely admired advertisers, Nike, chose to launch one of their new brands of shoes (Elliott 2006).

When Nike introduced the latest version of its successful line of sneakers endorsed by basketball star LeBron James, it was supported by a wide range of traditional and nontraditional communications: the first episode of 'Sports Center' on ESPN to be sponsored by a single advertiser; the distribution of 400,000 copies of DVDs about the making of the shoe and the ad campaign; saturation advertising on espn.com, mtv.com and some other sites; a 'pop-up retail store' in Manhattan; video clips appearing as short programs on the MTV2 cable network; a retro-chic neon billboard near Madison Square Garden that showed a continuously dunking Mr James; as well as television and print ads and on-line videos featuring James as 'the LeBrons', characters who represent four sides of his personality.

Integrating marketing communications to build brand equity

A model of brand equity for marketing communications

Unquestionably, marketers are employing more varied marketing communication options than ever before. To understand the role of all the different types of marketing communications for brand building, a comprehensive, cohesive model of brand equity is needed. One such model is the customer-based brand equity model (Keller 2001a, 2008). According to the customer-based brand equity model, brand equity is fundamentally determined by the brand knowledge created in consumers' minds by marketing programs and activities. Specifically, *customer-based brand equity* is defined as the differential effect that consumer knowledge about a brand has on their response to marketing for that brand.

According to this view, brand knowledge is not the facts about the brand – it is all the thoughts, feelings, perceptions, images, experiences and so on that become linked to the brand in the minds of consumers (individuals and organizations). All of these types of information can be thought of in terms of a set of associations to the brand in consumer memory. The basic premise of the customer-based brand equity (CBBE) model is that the power of a brand lies in the minds of customers and the meaning that the brand has achieved in the broadest sense (Janiszewski and van Osselaer 2000).

Two particularly important components of brand knowledge are brand awareness and brand image. Brand awareness is related to the strength of the brand node or trace in memory as reflected by consumers' ability to recall or recognize the brand under different conditions. Brand image is defined as consumer perceptions of and preferences for a brand, as reflected by the various types of brand associations held in consumers' memory. Strong, favorable and unique brand associations are essential as points-of-difference that can serve as sources of brand equity to drive the differential effects. These effects include enhanced loyalty; price premiums and more favorable price elasticity responses; greater communication and channel effectiveness; and growth opportunities via extensions or licensing (Hoeffler and Keller 2003; Keller 2008).

The brand resonance pyramid

The customer-based brand equity model has been extended to address more specifically how brands should be built in terms of consumer knowledge structures (Keller 2001a). Specifically, the CBBE model views brand building as an ascending series of steps, from bottom to top: (1) ensuring identification of the brand with customers and an association of the brand in customers' minds with a specific product class or customer need; (2) firmly establishing the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations; (3) eliciting the proper customer responses in terms of brand-related judgment and feelings; and (4) converting brand response to create an intense, active loyalty relationship between customers and the brand.

According to this model, enacting the four steps means establishing a pyramid of six 'brand building blocks' with customers, as illustrated in Figure 1. The CBBE model emphasizes the duality of brands – the rational route to brand building is the left-hand side of the pyramid, whereas the emotional route is the right-hand side. The creation of significant brand equity requires reaching the top or pinnacle of the brand resonance pyramid, which occurs only if the right building blocks are put into place (see Figure 2 for more detail on each building block).

- *Brand salience* is how easily and often customers think of the brand under various purchase or consumption situations.
- *Brand performance* is how well the product or service meets customers' functional needs.
- *Brand imagery* describes the extrinsic properties of the product or service, including the ways in which the brand attempts to meet customers' psychological or social needs.
- *Brand judgments* focus on customers' own personal opinions and evaluations.
- *Brand feelings* are customers' emotional responses and reactions with respect to the brand.

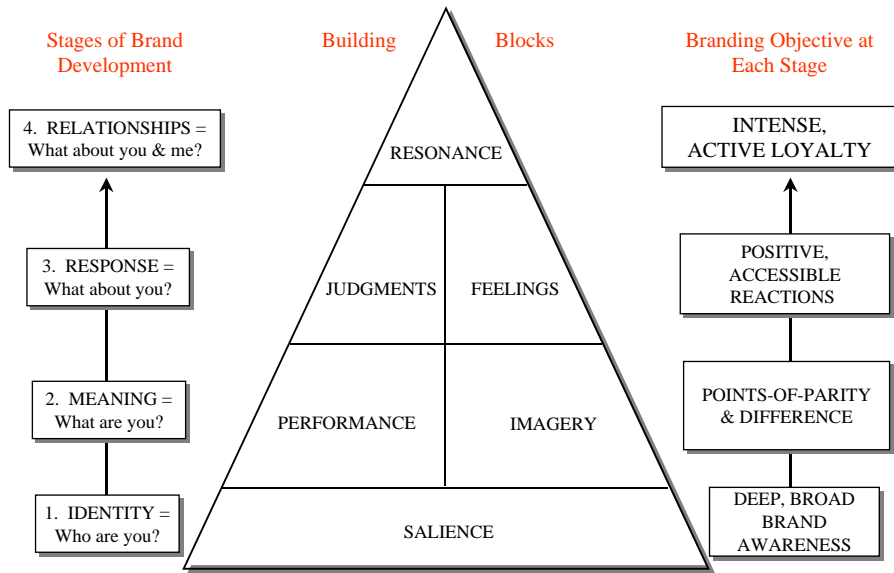


Figure 1. Customer-based brand equity model pyramid.

- *Brand resonance* refers to the nature of the relationship customers have with the brand and the extent to which they feel they're 'in sync' with the brand.

Resonance reflects the intensity or depth of the psychological bond that customers have with the brand, as well as the level of activity engendered by this loyalty. Certain

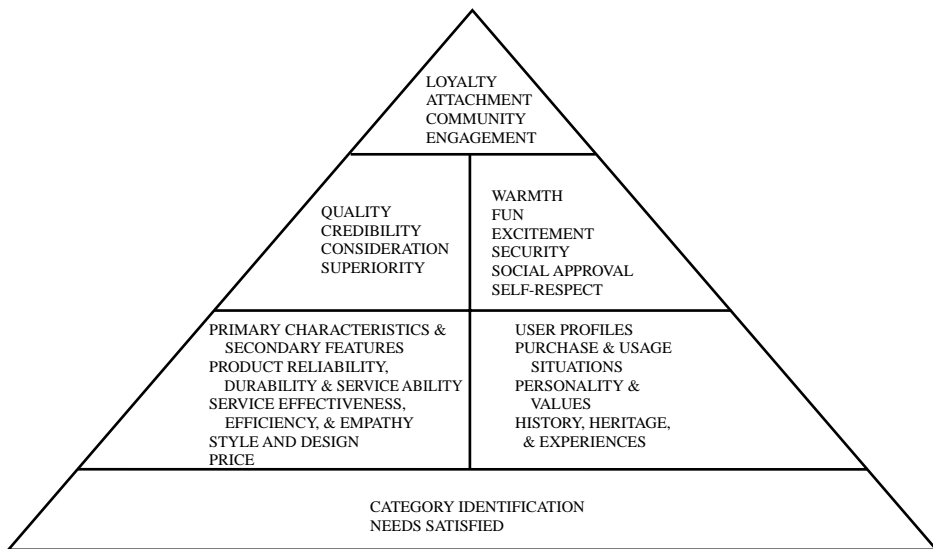


Figure 2. Sub-dimensions of brand building blocks.

product or service categories potentially allow for more resonance because they have inherently high levels of interest and activities. Some brands with high resonance include Harley-Davidson, Apple and eBay.

Brand resonance has four dimensions, which each capture a number of different aspects of brand loyalty:

- (1) *Behavioral loyalty* – customers' repeat purchases and the amount or share of category volume attributed to the brand.
 - How often do customers purchase the brand?
 - How much do customers purchase of the brand?
- (2) *Attitudinal attachment* – when customers view the brand as being something special in a broader context.
 - Do customers 'love' the brand?
 - Do customers describe the brand as one of their favorite possessions?
 - Do customers view the brand as a 'little pleasure' they look forward to?
- (3) *Sense of community* – when customers feel a kinship or affiliation with other people associated with the brand.
 - Do customers interact with fellow brand users or employees or representatives of the company?
 - Does this customer interaction occur on-line and/or off-line?
- (4) *Active engagement* – when customers are willing to invest personal resources on the brand – time, energy, money, etc. – beyond those resources expended during purchase or consumption of the brand.
 - Do customers choose to join a club centered on a brand?
 - Do customers receive updates, exchange correspondence with other brand users or formal or informal representatives of the brand itself?
 - Do customers visit brand-related websites, participate in chat rooms and so on?

To create brand resonance, marketers must first create a foundation on which resonance can be built. According to the customer-based brand equity model, resonance is most likely to result when marketers are first able to create:

- proper salience and breadth and depth of awareness;
- firmly established points-of-parity and points-of-difference;
- positive judgments and feelings that appeal to the head and the heart.

With a firm foundation in place, marketers can then optimize the four dimensions of brand resonance. There are a number of marketing communication activities that can be put into place to impact any one dimension of resonance. Any marketing communication may also affect more than one dimension of brand resonance. For example, when BMW created its on-line video series, *The driver*, featuring top film actors and directors, it arguably enhanced brand attachment, community and engagement. In fact, there may be interactive effects such that, for example, higher levels of attachment lead to greater engagement. To maximize brand resonance, levels of both the intensity and activity of loyalty relationships must be increased.

Marketing communication effects on brand equity

From a customer-based brand equity perspective, marketing communications activities contribute to brand equity and drive sales in many ways (Keller 2007): by creating awareness of the brand; linking the right associations to the brand image in consumers'

memory; eliciting positive brand judgments or feelings; and/or facilitating a stronger consumer–brand connection.

The manner in which brand associations are formed does not matter. In other words, if a teenage male has equally strong, favorable and unique brand associations with Axe body spray to the concepts ‘masculinity’, ‘sex appeal’ and ‘fun’ because of exposure to a viral video that shows women attracted in an exaggerated fashion to young males because of their use of Axe, or because of TV or print ads with similar messages, the impact in terms of Axe’s brand equity should be identical (Duncan 2005; Duncan and Moriarty 2006).

But these marketing communications activities must be integrated to deliver a consistent message and achieve the strategic positioning. The starting point in planning marketing communications is an audit of all the potential interactions that customers in the target market may have with the company and all its products and services. For example, someone interested in purchasing a new laptop computer might talk to others, see television ads, read articles, look for information on the Internet and look at laptops in a store.

Marketers need to assess which experiences and impressions will have the most influence at each stage of the buying process. This understanding will help them allocate communications dollars more efficiently and design and implement the right communications programs. Armed with these insights, marketers can judge marketing communications according to its ability to affect experiences and impressions, build brand equity and drive brand sales. For example, how well does a proposed ad campaign contribute to awareness or to creating, maintaining or strengthening brand associations? Does a sponsorship cause consumers to have more favorable brand judgments and feelings? To what extent does a promotion encourage consumers to buy more of a product? At what price premium?

Mixing and matching marketing communications

In developing an integrated marketing communication (IMC) program, a number of factors come into play (Schultz, Tannenbaum, and Lauterborn 1993). Marketers must consider several factors in developing their communications mix, such as the type of product market, consumer readiness to make a purchase, stage in the product life cycle and the brand’s market share and positioning.

From the perspective of building brand equity, marketers should be ‘media neutral’ and evaluate *all* the different possible communication options according to effectiveness criteria (how well does it work?) as well as efficiency considerations (how much does it cost?). This broad view of brand-building activities is especially relevant when marketers are considering strategies to improve brand awareness.

Anything that causes the consumer to notice and pay attention to the brand – such as sponsorship and out-of-home advertising – can increase brand awareness, at least in terms of brand recognition. To enhance brand recall, however, more intense and elaborate processing may be necessary, so that stronger brand links to the product category or consumer needs are established to improve memory performance. In terms of brand image, the question becomes what effects are created by the communication option, how strongly are they linked to the brand and how do the effects that are created affect, either directly or indirectly, consumers’ propensity to purchase and use brands?

Marketers should ‘mix and match’ communication options to build brand equity – that is, choose a variety of different communication options that share common meaning and content but also offer different, complementary advantages so that the whole is greater than the sum of the parts (Naik and Raman 2003; Duncan and Mulhern 2004;

Naik, Raman, and Winer 2005; Naik 2007). For example, as part of the highly successful 'Drivers Wanted' campaign, VW used television to introduce a story line that it continued and embellished on its website.

Different brand associations may be most effectively established by capitalizing on those marketing communication options best suited to eliciting a particular consumer response or establishing a particular type of brand association (Edell and Keller 1989, 1999). For example, some media are demonstrably better at generating trial than engendering long-term loyalty (e.g. sampling or other forms of sales promotion).

Brand building with interactive marketing communications

To communicate effectively and efficiently, marketers have to go where the customers are and increasingly that is on-line. For example, young, high-income, high-education customers' total on-line media consumption has exceeded that of TV for several years now (On-line Publisher's Association 2002). Marketers have responded. On-line advertising was estimated at a little less than 6% of global ad spending in 2006, but is expected to jump to 10% to become a \$25 billion business by 2009. Helping fuel that growth is the emergence of rich media ads that combine animation, video and sound with interactive features (Acohidio 2004). Many other communication options, however, also exist on-line. Table 2 displays a representative set of 11 different interactive marketing communication options.

Table 2. A brief overview of some interactive marketing communication options.

-
- (1) *Websites* – companies must design websites that embody or express their purpose, history, products and vision. A key challenge is designing a site that is attractive on first viewing and interesting enough to encourage repeat visits.
 - (2) *Microsites* – a microsite is a limited area on the Web managed and paid for by an external advertiser/company. Microsites are individual Web pages or cluster of pages that function as supplements to a primary site.
 - (3) *Search ads* – paid-search or pay-per-click ads, represent 40% of all on-line ads. Thirty-five percent of all searches are reportedly for products or services. The search terms serve as a proxy for the consumer's consumption interests and trigger relevant links to product or service offerings alongside search results from Google, MSN and Yahoo!. Advertisers pay only if people click on the links.
 - (4) *Display ads* – display ads or banner ads are small, rectangular boxes containing text and perhaps a picture that companies pay to place on relevant websites. The larger the audience, the more the placement costs. Some banners are accepted on a barter basis.
 - (5) *Interstitials* – interstitials are advertisements, often with video or animation, that pop up between changes on a website, e.g. ads for Johnson & Johnson's Tylenol headache reliever would pop up on brokers' websites whenever the stock market fell by 100 points or more.
 - (6) *Internet-specific ads and videos* – with user-generated content sites such as YouTube, MySpace Video and Google Video, consumers and advertisers can upload ads and videos to be shared virally by millions of people.
 - (7) *Sponsorships* – many companies get their name on the Internet by sponsoring special content on websites that carry news, financial information and so on.
 - (8) *Alliances* – when one Internet company works with another, they end up advertising each other through alliances and affiliate programs.
 - (9) *On-line communities* – many companies sponsor on-line communities whose members communicate through postings, instant messaging and chat discussions about special interests related to the company's products and brands.
 - (10) *E-mail* – e-mail uses only a fraction of the cost of a 'd-mail', or direct mail campaign.
 - (11) *Mobile marketing* – in developing countries especially, mobile phone marketing will become increasingly important.
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Branding advantages and disadvantages of interactive marketing communications

The Internet provides marketers and consumers with opportunities for much greater interaction and individualization (Smith and McFee 2003). Few brand marketing programs are considered complete without some type of prominent on-line component. Visa blanketed the Web with rich media ads as a major component of its first new brand campaign in 20 years, 'Life Takes Visa'. To reinforce its image as a technology innovator, IBM launched an on-line campaign for two new B2B platforms, 'What Makes You Special?' and 'Take Back Control'. Amgen and Wyeth Pharmaceuticals used a series of on-line ads to build brand awareness for the rheumatoid arthritis drug Enbrel (Applebaum 2006).

On-line, companies can send tailored messages that can engage different segments of consumers by reflecting their special interests and behavior. The Internet offers the advantage of contextual placement, or sites for ad placement that are related to the marketer's offerings. The Internet is highly accountable and its effects can be easily traced. Eddie Bauer cut its marketing cost per sale 74% by concentrating on higher-performing ads (Judge 2001; Hein 2007). On-line, advertisers can gauge response instantaneously by noting how many unique visitors or 'UVs' click on a page or ad, how long they spend with it, where they go afterwards and so on (Roberts 2006; Steel 2007).

Interactive marketing communications does have its challenges though. Customers define the rules of engagement and can insulate themselves with the help of agents and intermediaries if they so choose. Customers define what information they need, what offerings they are interested in and what they are willing to pay. Marketers can lose some control over what consumers will do with their on-line messages and activity. Consumers could place a video in undesirable or unseemly places. In that regard, traditional media can offer greater control in that the message is more clearly formulated and expressed.

Interactive marketing communications and brand resonance

Unquestionably, however, the power of interactive marketing communications as a brand building tool is its versatility. Basically every aspect of the brand resonance pyramid can be positively impacted by interactive marketing, as follows.

Salience

Interactive marketing can improve both breadth and depth of brand awareness. The Internet permits very specific targeting of potentially difficult to reach groups, facilitating the creation of strong brand awareness for those market segments who are on-line. Light consumers of other media, especially television, can be reached on-line. The Web is especially effective at reaching people during the day. The obvious caveat is that it will be totally ineffective for those target customers who are strictly off-line, at least in a direct sense.

In terms of salience, one of interactive marketing communication's key advantages is the ability to reach customers as they seek information, thus heightening awareness at potential purchase opportunities. For example, marketers can place advertising based on keywords from search engines to reach people when they have actually started the buying process. On the downside for breadth, however, it is difficult for interactive marketing to have as much off-line impact at potential consumption opportunities for already purchased brands.

Performance and imagery

Interactive marketing communications can help to establish a number of key performance and imagery points-of-parity and points-of-difference versus competitors. On websites, marketers can provide much detail and supporting reasons-to-believe for any advertised claims, even providing direct comparisons to competitors on prices, designs and performance. Websites can also convey rich accounts of history, heritage and experiences, a key dimension of brand imagery. Interactive marketing communications can also help to establish brand personality by its tone and creative content.

Judgments and feelings

Interactive marketing communications can encourage attitude formation and decision making, especially when combined with off-line channels. Because of the ability to deliver sight, sound and motion in all forms, interactive marketing communications can create impactful experiential and enduring feelings.

Resonance

Interactive marketing communications is perhaps most useful in terms of creating resonance in that it permits daily or frequent encounters and feedback opportunities for consumers with a brand. These interactions can help to strengthen brand attachment. Via bulletin boards, blogs and other means, interactive marketing communications also helps to build brand community among consumers and between the company and consumers. Perhaps the area of resonance where interactive marketing communications can have the most impact is with active engagement. Interactive marketing communications allows consumers to learn from and teach others about a brand, as well as express their commitment to a brand and observe the brand loyalty of others. Companies can explain their rationale for brand marketing activities and how they treat their customers. Customers can bond with other customers.

Integrating interactive marketing communications

A company chooses which forms of interactive marketing communications will be most cost-effective in achieving communication and sales objectives. In developing an integrated interactive marketing communication program, marketers must take both a micro and macro perspective.

That is, in making their choices, marketers must make sure that, in a micro sense, their interactive marketing communication activities are designed to be as effective and efficient as possible in isolation, but in a macro sense, well integrated with other on-line marketing communication activities as well as with off-line activities. We next briefly review both micro and macro considerations by examining three notable on-line approaches being used by many marketers: (1) websites; (2) on-line ads and videos; and (3) blogs and bulletin boards.

Micro perspectives

Each interactive communication option can be evaluated according to its ability to build brand equity and drive sales. Successes with the former would presumably be reflected some in the latter. Although any interactive marketing communication may affect more

than one dimension of brand resonance, most options have greater effects in certain areas. Here are a few considerations for each of the three interactive marketing communication options.

- *Websites* have a range of functionality that allows them to be a potentially highly effective and efficient communication option to affect brand resonance and equity. Marketers can communicate directly with actual and potential customers to provide more information than can be found in any other medium.
- *On-line ads and videos* permit highly targeted, timely messages that can expand salience. Moreover, on-line ads and videos can extend the creative or legal restrictions of traditional print and broadcast media to persuasively communicate brand positioning and elicit positive judgments and feelings.
- *Blogs and bulletin boards* can help to improve salience, performance and imagery, depending on the discourse involved, but are more likely to be valuable at higher levels of the resonance pyramid. By permitting personal, independent expression, blogs and bulletin boards can create a sense of community and foster active engagement. They also permit feedback that can improve all aspects of a brand's marketing program.

Macro perspectives

A number of factors need to be considered in developing the most effective and efficient marketing communication program possible. In particular, six criteria may be relevant, as follows (Keller 1996, 2001b):

- (1) *Coverage*. Coverage relates to the proportion of the audience that is reached by each communication option employed, as well as how much overlap exists among communication options. In other words, to what extent do different communication options reach the designated target market and the same or different consumers making up that market?
- (2) *Contribution*. Contribution relates to the inherent ability of a marketing communication to create the desired response and communication effects from consumers *in the absence of exposure to any other communication option*. In other words, contribution relates to the 'main effects' of a marketing communication option in terms of how it affects consumers' processing of a communication and the resulting outcomes (e.g. building awareness, enhancing image, eliciting responses, inducing sales).
- (3) *Commonality*. Commonality relates to the extent to which *common* associations are reinforced across communication options, that is, the extent to which information conveyed by different communication options shares meaning.
- (4) *Complementarity*. Complementarity relates to the extent to which *different* associations and linkages are emphasized across communication options. The ideal marketing communication program would ensure that the communication options chosen are mutually compensatory and reinforcing to create desired consumer knowledge structures.
- (5) *Versatility*. Versatility refers to the extent that a marketing communication option is robust and effective for different groups of consumers. A marketing communication option is deemed versatile when it achieves its desired effect *regardless* of consumers' past communication history, level of brand or product knowledge or processing goals and so on.

- (6) *Cost*. Finally, evaluations of marketing communications on all of the preceding criteria must be weighed against their cost to arrive at the most effective *and* efficient communication program.

As with any type of marketing communications, interactive marketing communications must be fully integrated with other marketing communication options. Coverage, cost, contribution and commonality are relatively straightforward with interactive marketing communications. In other words, like other types of marketing communications, interactive marketing communications can be designed to effectively and efficiently deliver a brand message to a target market. The two integration criteria where interactive communications are most notable, however, are complementarity and versatility.

In terms of complementarity, interactive marketing communications often work well together and with other off-line communications. Attention-getting on-line ads and videos can drive consumers to a brand's website where they can learn and experience more about the brand. Company-managed bulletin boards and blogs may help to create more engagement.

In terms of versatility, different market segments will have different levels of knowledge and interest about a brand. A well-designed website can effectively communicate to consumers regardless of their personal brand or communications history.

Discussion

Summary

The basic premise of this paper is that the marketing communications environment has changed dramatically in recent years, resulting in new challenges to marketers to build and manage their brands. The customer-based brand equity model – which emphasizes the importance of understanding consumer brand knowledge structures – was put forth as a means to help marketers interpret the branding effects of marketing communications in this complex new marketing world.

To better understand consumer brand knowledge structures, the brand resonance pyramid was identified as a means to track how marketing communications can create intense, active loyalty relationships and affect brand equity. According to this model, any marketing communication can affect consumer brand knowledge in one or more ways and thus impact brand equity. Integrating marketing communications thus involves mixing and matching different communication options to establish the desired awareness and image in the minds of consumers.

On-line, interactive marketing communications were identified as an important growth area in marketing. Interactive marketing communications offers marketers much versatility in that virtually any aspect of brand building can be addressed via interactive marketing communications to potentially impact brand equity.

Implications

A number of implications arise from this discussion in terms of how marketers should build strong brands in a modern marketing communications environment. In particular, three key implications are that marketers must: (1) be media neutral and consider all possible communication options; (2) mix and match the communication options chosen to maximize their respective strengths and weaknesses; and (3) ensure that interactive

marketing can play a significant – but appropriate – role in the total marketing communications program.

Perhaps the most compelling implication of all of this discussion, though, is how much marketers must re-think their communication strategies to build a loyal customer base. In today’s changing and more complex marketing environment, marketers must develop a different mind set as to how to build customer loyalty and establish brand resonance. Unlike days gone by, customers know more about the companies behind a brand, they communicate more freely with each other and they can have strong opinions about what they want companies to be doing with their brands.

To achieve intense, active loyalty relationships and brand resonance, marketers must incorporate consumers differently into their brand planning. To better account for the different forces that now exist in the marketing environment and the role that they play in the formation of brand resonance, another framework, the brand resonance network, is helpful (see Figure 3).

The brand resonance network depicts four key relationships that profoundly influence the four dimensions of brand resonance. Although from a marketer’s perspective, the most important relationship may be ultimately between the consumer and the brand, the fact is that it is increasingly the case that relationships among consumers, between consumers and the company and between the company and the brand strongly influence that consumer–brand relationship. Managing these relationships thus becomes of primary importance too.

For each type of relationship, the focus is on the manner or form of the interaction involved. Here are just a few key considerations for each of the four types of relationships in the brand resonance network.

- (1) *Consumer–Company relationship*: what do consumers know and feel about the company behind the brand and how it treats consumers?
- (2) *Consumer–Consumer relationship*: how much interaction occurs among consumers on-line and off-line such that they can learn from and teach others, as well as express their loyalty and observe the loyalty of others?

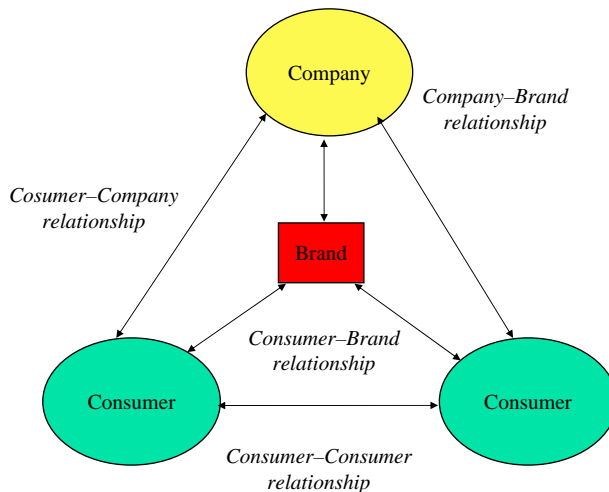


Figure 3. Brand resonance network.

- (3) *Company–Brand relationship*: is the company viewed as a good brand steward and ensuring that the brand lives up to its promise, delivers on consumer expectations and exhibits the right brand values in the marketplace?
- (4) *Consumer–Brand relationship*: finally, how much and how often do consumers use the brand, and how strongly do they feel attached to it?

Different communication options can differentially affect these four types of relationships and connections. For example, a TV ad that is also placed by a company on its website – and that ends up being voluntarily passed along by many consumers on-line as a result – may actually help all four types of relationships. Strengthening each of these relationships and connections singularly or in combination increases customer loyalty and brand resonance.

Future research opportunities and challenges

Adopting the key conceptual tools introduced above – customer-based brand equity, the brand resonance pyramid and the brand resonance network – should give marketers insight into how their different marketing communications ‘work’. Understanding communications from these different perspectives should help marketers design and implement more impactful communication programs and increase the likelihood that the best possible marketing communication programs are put into place.

Although these different conceptual templates are helpful, given the complexity involved, much research still needs to be conducted to better understand how all the different types of marketing communication options can be effectively and efficiently employed to collectively maximize short-term profitability as well as long-term brand equity. Two key priorities are helpful in guiding that pursuit.

The first priority takes more of a micro point of view. There needs to be a more complete understanding of the range of communication effects created by different communication options. In other words, how does consumer brand knowledge change as the result of an exposure to a communication and how does that changed knowledge, in turn, affect how consumers respond to the brand itself and how it is marketed? The brand resonance model provides some insights, but an even fuller picture of brand knowledge that recognizes the type, strength, valence and uniqueness of all brand associations engendered by different types of communication options is still needed.

This is particularly true for on-line, interactive marketing, which has received less academic scrutiny and study and is exploding with a diverse array of different types of communication activities that were not even available to marketers a mere few years ago. In part because of the Internet, consumers are taking a more active role in shaping the meaning of brands in the marketplace. Understanding if and how the brand resonance model captures this more socially constructed reality of brand building is clearly an important priority. Is it necessary to develop new or refined concepts of brand knowledge and meaning to better understand the effects of blogs, social communities and company-supported consumer forums?

The second priority takes more of a macro view. There needs to be an understanding of the role of different communication options and how they complement and substitute for each other. The unique aspects of each communication option need to be carefully delineated, but also contrasted with the more common aspects that are shared with other communication options. At the same time, it is important to have a clearer picture as to how different communication options work in combination to create enhanced effects. Coordinating communications and media to create synergistic effects would seem to be

one of the most potent ways to increase marketing communications productivity. Ultimately, marketers need to have detailed, concrete guidelines that help them develop fully integrated communication programs such that the right marketing communication options are chosen and maximum main and interaction effects are realized for each marketing communication option that is employed.

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