CHAPTER 6

KOTLER'S STEPS IN DEVELOPING A STRONG BRAND

Philip Kotler, one of the most well-known marketing gurus, has introduced the main steps in developing a strong brand. In this section, we will discuss these steps with the commercial websites. The discussion is based on the information from a case study in Chapter 5, and the information from a questionnaire. The objectives of this section are to examine the method to develop the guideline for Thai commercial website. After due consideration, the steps in developing a strong brand from Kotler(1999: 55) is used as a framework for the discussion. This enables us to adapt the Kotler's steps for Thai commercial websites.

6.1 DEVELOPING THE VALUE PROPOSITION

According to Kotler (1999: 55), the first step in developing a strong brand name is to develop the value proposition. It can be done as follows.

6.1.1 CHOOSING A BROAD POSITIONING

In choosing a broad positioning, Kotler focuses on the alternatives from Michael Porter (cited in Kotler, 1999: 55). Following this thinking, the product should be focused on being the product differentiator, the low cost leader, or the nicher. Kotler also focuses on the alternatives from Michael Treacy and Fred Wiersema (cited in Kotler, 1999: 56) suggesting that the firm should be the product leader, the operationally excellent firm, or the customer intimate firm. After examining the case study and establishing the market research, it is found in the present study that most of the Thai people use Internet commerce for two major reasons as shown in Figure 5.7.

According to Figure 5.7, it may be noted that

1. Inexpensiveness

If the product is not cheap, the people will shop offline. According to the questionnaire responses, about 87% of the respondents claim that they will buy offline if the price of the product is the same. However, if the product is cheaper, 74% of the respondents will shop online.

2. Convenience

According to Tohome's Managing Director, most of Tohome's customers are office workers. Moreover, people have less time to shop offline, since they have more busy lifestyles nowadays. It may be because offices are connected to LANs, which are connected to the Internet. This allows the office employees to conveniently shop on the net. From the questionnaire responses, it may be also concluded that convenience is one of the most important factors for the customer to shop online apart from inexpensiveness.

For Thai commercial websites, we can focus the broad positioning on the above two factors. This means that if you look at Porter's alternatives, you will find that the website should capture on the low cost leader segments. The reason that the product differentiator and the nicher may not work is that not every product could be sold on the net. The groups of people who shop on the net nowadays are limited to certain groups. They will also purchase limited product items on the net. Moreover, there is a limitation of the Internet in that people cannot touch and feel the product. This allows them to buy only the products they are familiar with.

According to Treacy and Wiersema's alternatives (cited in Kotler, 1999: 56), you will find that the website should capture on operationally excellent firm and customer intimate firm. One problem with the new and advanced product is that the customers are not familiar with the product and it is normally charged at high price. It may not be proper to focus on being the product leader since the customers cannot touch and feel the product. Consequently, the customers will not know whether that product is suitable for them or not.

Kotler (1999: 56) also suggests that the company cannot be good at everything because the company has limited fund. Moreover, being good at one thing may reduce the possibility of being good at something else. But in the case of Thai commercial websites, you have to be good at both inexpensiveness and convenience. This comes from the fact that they are essential reasons for the customers to use online purchasing. If the websites lack only one factor, the customer will not shop online.

6.1.2 CHOOSE A SPECIFIC POSITIONING

According to Kotler (1999: 57), companies need to go beyond a broad positioning to express more concrete benefits and reasons to buy. This could be best quality, best performance, etc. The specific positioning is used to emphasis the benefit and reason for the customer to buy the product. In order to choose a specific positioning, we have to understand the needs of the customer. If we look at the brand map model in Figure 6.1, you will find that the broad positioning is in the second ring. In choosing a specific positioning, we can move to the third ring.

Because the third ring is the attributes that support the second ring, we can imply that we can adopt the third ring as specific positioning. The specific positioning you may present can be: the most security website that you can shop with trust, the fastest delivered website ever, the cheapest product on planet, or zero percent two year leasing. In order to use a questionnaire to determine the most important factors in the third ring, we have asked the sample to select two of the concerned factors to buy online. The result is illustrated below.

Table 6.1: Considering factor in shopping online.

Factor	Frequency	Percent
Delivery service	78	20.41885
product price,	66	17.27749
security	54	14.13613
product variety	43	11.25654
after sales service	42	10.99476
payment method	42	10.99476
special promotion	35	9.162304
allow leasing	22	5.759162

From the Table 6.1, we can imply that the delivery service and the price of the product are the most important factor. The security factor comes in the third place, while the product variety, after sales service, payment method, special promotion can be regarded as the next consideration factors. Finally, the leasing can be think of the least important factor. In this case, we can select to capture on one of the first three ranks as a specific positioning.

6.1.3 CHOOSING A VALUE POSITIONING

From previous section and previous chapter, you would find that the critical reason that the customer shop online is that it is cheaper. This could mean that if your products were not cheap, you would finally lose out the business. According to Kotler (1999: 59), the seller must value position the brand. He suggests the five alternatives: More for More, More for the Same, the Same for Less, Less for Much Less, More for Less. In the case of commercial website, the most suitable values positioning are the Same for Less, Less for much Less, More for Less.

6.1.4 DEVELOPING THE TOTAL VALUE PROPOSITION

Finally, the company should answer the question from the customer that "Why should he would shop online? Kotler (1999: 62) states that the customer will compare between total offering and total cost for acquiring before he chooses the product. In this case, the customer will compare between online purchasing and offline purchasing. The brand map can be used here because it reflexes the benefit to the customer. From specific positioning, we can use one of the first three ranks as specific positioning. In this section, we should maintain adequate level of performance for the other attributes. From the case study, we can imply that the delivery service and the price of the product are the most important factor. The security factor comes in the third place, while the product variety, after sales service, payment method, special promotion can be regarded as the next consideration factors. Finally, the leasing can be think of the least important factor to emphasise on.

6.2 BUILDING THE BRAND

6.2.1 CHOOSING A BRAND NAME

Kotler (1999: 63) suggests that the brand name should suggest the benefits or attributes of the product, and it must be consistent with the value positioning. In this case, we could use the brand mapping as a guide in selecting a brand name.

By this, Al Ries and Laura Ries (cited in Sirichantananda, 2001: 107) suggest the way to naming the website. In this section, their suggestion will be discussed. They introduce the 8 points that we have to remember in order to choose a name for the web site.

a. Short

The name should be easy to spell and to type. You could use a nickname as your web-site name. The benefit of nickname is that it makes people seem to have closer relationship with the brand.

b. Simple

The simple name does not always mean short name. Some short names are not simple names. Ries and Ries (cited in Sirichantananda, 2001: 107) claim that a short name is a name that organized the order of alphabet appropriately. "*Schwab*" is a short name, but it is not an easy name. It consists of six different alphabets. On the other hand, Mississippi is a long word but it is not a complex word because it consists of only 4 alphabets.

c. Suggest Category

The name of the website should make the customer remind of the product categories, not only just the product itself. Foodland.com may be better than Food.com.

d. Unique

Brand names should be unique and also stick in the people mind. This can be a proper noun like AskJeeves.com.

e. Alliterative

Alliterative word allows the people remember the brand easily. It can be something like Volvo, and Blockbuster.

f. Speakable

The best way to promote the website can be done by each person telling his friend positively about the website. So, your brand names should not

establish the confusion to the listener. The word like How2.com, 1stbuy.com is easy to speak, but there are many ways to type them.

g. Shocking

In order to make the customer remember the brand, the name of the websites should touch their emotion. For example, you could use DieHard.com for the battery website.

h. Personalize

Some brand, only for some brand, has a name related to a person. This can be Ford, Chrysler, Calvin Klein. The way using this kind of name as a brand name will make the brand names feel to have a story, history, and live.

6.2.2 BUILDING POSITIVE ASSOCIATIONS

According to Kotler (1999: 64), the best-known brand names carry association. From the case study, we can finally come out with the brand map.

We can notice that we can use the attributes and benefits, in Figure 5.7, in order to analyze the positive and the negative of a brand. Then we try to build a strong association with these attributes.

We have to find out the positive and negative associations. For Tohome, the positive associations can be the inexpensiveness, and the convenience. The negative association can be the service charge for up country area's delivery service. Here, we have to emphasise the positive association and reduce the negative association. In the case of Tohome, we can also mention that Tohome can deliver to every place in Thailand, even in relatively inaccessible areas. Tohome tries to highlight the positive associations. It stresses the benefit at the second ring in Figure 5.7. In sum, Tohome emphasises its inexpensiveness and convenience.

6.2.3 TOOLS FOR BUILDING THE BRAND IDENTITY

Kotler (1999: 66) suggests that a brand builder uses a set of tools to strengthen and project the brand image. He recommends that the strong brand should exhibit an owned word, a slogan, a color, a symbol, and a set of stories.

Owned word

A strong brand name could remind people of another word. It is good if it is a positive word. Also, the website should link to some positive word. For example, Tohome is linked to convenience and inexpensiveness.

Slogan

The company can create a slogan for a brand. Then it repeats its slogan in everyday ads, magazine or whatever. The effect of using same slogan over and over again is almost hypnotic and subliminal in the brand image it creates. For example, Tohome's slogan is shopping 24hrs, lowest price.

Colours

The company could use the consistent set of colour. This will help the customer to recognize the brand. You will find that Tohome always uses blue and white.

Symbol and Logos

The company could also develop a symbol or a logo to communicate the benefits to the customer. Tohome's logo uses the word Tohome to illustate the feeling of shopping at home.

A set of stories

Some brands are also related to some stories. This can be a benefit if the story is favourable and interesting. However, Tohome does not attempt to establish any link to stories.

In conclusion, these tools are used to communicate and exhibit the benefit to the customer. These tools are not only limited to offline, they can also be used with websites as well. However, you may not use every tool in a website. As mentioned above, Tohome does not establish a set of stories.

6.2.4 Evaluating of Brand Effectiveness (How to run advertising campaign and maintain the customer?)

This section discusses the situation of brand and how to acts upon it. Young and Rubicam (cited in Kotler, 1999: 69) draws conclusion in evaluating a brand as follow:

- A brand that has high familiarity but low esteem is a troubled brand. It means that the people know a website, but a website provide him nothing. So, the website should improve the benefits before running an advertising campaign.
- A brand that has high likability but low familiarity needs heavy advertising campaign. Even though a website offers a good benefit, if the customer does not know that the site exists, he/she will not use it.
- A brand that has high vitality but low stature needs heavy advertising campaign. Even though a website offers a good benefit, if the customer does not know the benefit that the site gives, he/she will not use it.
- A brand whose differentiation and relevance are slipping will start losing esteem and then familiarity. The site that loses the differentiation will finally lose esteem and then familiarity.

This general idea from Kotler can be applied to websites as well. However, the use of website allows two addition methods, online banner and E-mail marketing. As for Tohome, it seems that it is new to the customer. It has low familiarity and low stature, so it needs the advertising campaign. By the campaign, it uses both online and offline channel to increase the familiarity. Its advertising emphasises Tohome's benefit as 24hr shopping and lowest price in order to increase the stature.

6.3 CONCLUSION

After examining Kotler's main steps in developing a brand name, It is found that it is concerned with three factors, the product benefit, brand identity, and advertising (promotion). Although Kotler's main steps in developing a brand name is formulated for offline product, it can be adapted for use with the websites in Thailand with some modification. Due to the characteristic of commercial websites in Thailand, the product offering should follow the benefits and attributes from the brand map as mentioned in Chapter 5. If we compare Tohome with Kotler's steps, we will find that Tohome offers inexpensiveness and convenience (second ring in Figure 5.7) as broad positioning. In specific positioning, it offers the lowest price product (third ring). This implies that it uses Same for Less value positioning. In order to develop the total value proposition, Tohome tries to offer the best in every attribute. It does very well in many important attributes, like delivery service, product price, and security. According to the questionnaire responses, the customer has a good perception toward these attributes of Tohome.

In order to establish the brand identity, the brand map can be used as a guide in selecting a brand name as well as the law of proper name from Ries and Ries (cited in Sirichantananda, 2001: 107). As for Tohome, you will also find that its name conform to most of the rule of proper name. It offers good associations toward the positive attributes, as you will find in the questionnaire responses.

As for running promotion campaign, it may not be different between online and offline products because it is just the way to communicate the benefit to the customer except the increasing of online promotion channel, online banner and e-mail marketing. You will find that Tohome is a new brand. It offers good benefit but it lacks familiarity and stature. So, it needs advertising. You will find that Tohome also uses both offline and online promotion channel. You will find from the questionnaire responses that it can communicate the benefits to the customers, since the customers think positively toward Tohome.

We can summarise the different between Kotler's steps and the result from the case study as shown in Table 6.2.

Table 6.2: The difference between Kotler's steps and the result from the case study

Topic	Suggestion from Kotler	Result from the case study
1. Choose a broad positioning	The broad alternatives from Micheal Porter or Michael Treacy and Fred Wiersema can be used.	A broad positioning should be concerned with inexpensiveness and convenience.
2. Choose a specific positioning	Emphasise the reason to buy the product/service by avoiding underpositioning, overpositioning, confused positioning, irrelevant positioning, and doubtful positioning.	The same with Kotler, but the reason to buy can be delivered from brand map in Figure6.1.
3. Choose a value positioning	Select from distinguish five value positions: More for More, More for the Same, The Same for Less, Less for Much Less, and More for Less.	Select from distinguish three value positions: The Same for Less, Less for Much Less, and More for Less.
4. Develop a total value proposition	Compare between cost of acquiring and product offering.	The same with Kotler, but the product offering can be delivered from brand map in Figure6.1.
5. Choose a brand name	Consistent with the positioning.	The same with Kotler, but the law of proper name can be used.
6. Building brand identity	Tools for building brand identity to encourage the positive associations.	The same with Kotler
7. Advertising	Examine the conclusion from Young and Rubicam.	The same with Kotler, but it also offers two new advertising media: E-mail marketing, and Online advertising banner.