

FUTURE OF BRANDING IN THE AGE OF SOCIAL MEDIA: INSIGHTS AND IMPLICATIONS

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ABSTRACT

The traditional branding paradigm involved heavy upfront investments and managing the image with tightly controlled communications. The hope was to create dominant brands that could be leveraged to cultivate loyalty and a steady stream of profits for a long time. However, social media can drastically alter consumers' behavior and their brand preferences. This rapidly evolving landscape has left managers at a loss; and what they are experiencing is likely the beginning of a tectonic shift in the way brands are managed. We take a close look at the building blocks of branding and also examine the core of social media. After careful analysis of the two, we discuss the likely impact social media will have on the practice of brand management. We conclude that it will go beyond the narrow confines of the use of social media as a message platform, to the core of how markets are targeted and products are delivered.

After careful and detailed analysis, our recommendations are along the following lines:

1. Understand the new paradigm
2. Identify the brand advocates
3. Find out what they want to talk about and get into the conversation; don't focus on selling
4. Give them engaging content to talk about
5. Build authentic relationships, which will eventually lead to engagement and sales
6. Measure the effectiveness of the social media strategies

Growth of social media, however, does not mean that brands will become irrelevant. Our discussion of brands and customers' desire to pay premium is that when done correctly, customers are not paying a premium only because of the inherent quality of the brand, but because they *want* to have a relationship with the brands, and are proud to talk about them. So, while maintaining successful brands may become more challenging, brands will remain viable. And, social media will strengthen or kill brands—depending on how it is utilized.