

NERAJ ROY'S VIEWS ON THE POWER OF PR IN BUILDING BRANDS

Brand building on the web.... There is more to the web than hotmail, yahoo, excite and amazon.com. Our research reveals that 87 per cent people in India think Internet means e-mail. Hence from this perspective one of the triggers for us at hungama was to literally cajole people and tell them that there is more to the web.

Brand building for dotcoms... We will consider brand building for two categories. Firstly, for start up dot companies and secondly, branding a physical world product on the net - what we call as branding brands on the web.

Many young entrepreneurs who have started a dot com venture consider themselves a brand by virtue of being a dot com. What they do not realise is that dot com itself is not a brand and over time dot com could become a commodity. If there are thousands of dot com's, the dot com element to that whole process is actually the commodity and therefore, the identity needs to be strong.

What is a brand? It is not merely a name, brand is not a positioning statement, nor is it a marketing message. It is a promise made by a company to its customers and supported by that company. Brand is a word in the mind. The only difference being that it is a very very special word. In the whole business of dot com, because the audience is very intelligent and opinionated branding takes on a new perspective.

Our research also reveals that 94 per cent people in India have never even visited an e-commerce site. 60-70 per cent of the advertising in print and outdoor medium today is dot com. If the companies who are aggressively advertising are hoping to suddenly get thousands of new members, then they are in for a big surprise. IndiaInfo recently spent about Rs. 28 crore over a three-month period and they did not even feature among the top 20 sites. Today with roughly about two and a half million users of internet around the country, huge advertising budgets of this nature are somewhat under-utilised.

The real burst in internet viewership will happen when television happens... Though this number is expected to grow to about 6 million by the end of 2000, advertising is not really driving growth, because the penetration of Internet is only through one medium, which is the computer. The real burst will happen when connectivity takes place through television.

Media is not really doing the Whilst media is a tool for building awareness, all the stories you read are focussed on Mr. Premii being the richest Indian

entire demystification of this medium....

you read are focussed on Mr. Premji being the richest Indian or about Infosys' market capitalisation. The entire demystification of this medium, which ought to be done by media, is really not happening. In the US there is a concept called buscall.com that is based on the convergence of mobile telephony and internet, thereby leading to real world utility. It is being marketed in America under the premise of child safety. A child cannot be outside of school environs for more than a minute. (There are about 35 to 50 million children in America who go to school every day.)

Let us look at the Indian scenario. Suppose you live in Peddar Road and the school bus comes to you from Dadar past Glaxo at Worli. The moment the bus crosses the Glaxo signal, the system will connect via a satellite to your home. You will automatically get a call at your home to say the bus will be at the bus stop in xx minutes. You can also actually specify how much time you need to get to the bus stop. These are the kind of stories that can emerge from dot com companies.

In India dot com branding is relevant because the average time spent on the net is not more than 42 minutes...

The dot com branding is more relevant because the average time spent on the net is limited. The relevance of a brand becomes critical because if you do not have the brand in mind then the inducement to trial will not happen. So even when you switch from one site to another you are anxious about the amount of time it will take to download. Most of us restrict our tryst with the internet to do our e-mail and be done with it thereafter.

Internet is like Lego, very modular in nature...

As for dot com branding, you need to scan the environment to determine if you are the first, then consider ways to sustain the advantage. Internet is like Lego, very modular in nature. If you have the right brand name you can keep inventing new modules and add them to your site and you can continue to use public relations effectively to promote these modules. To give you an example, three years ago Yahoo was a search engine, today it's the third most popular portal across the world. The brand name Yahoo was an extendable brand name, it doesn't mean anything and therefore they were able to keep adding newer modules. If you are the first, you must evangelise.

Fifteen-fold jump in the next two years....

Goldman Sachs estimates 70 million users in this country in the next three years. Conservative estimates of 30 million are definite, as television connectivity would have happened. There is going to be a fifteen-fold jump in the next two and a half years.

The internet is really like a mega brand...

The Internet is a comprehensive medium, which captures everything unlike the print medium where you are restricted by space and on television by time. Brands today just don't

sell the concept of 'I am a toothpaste'. Close Up for instance is selling youth, confidence and a whole host of aspects around that. What this medium does is to provide all of that. So a site like Lakme can hope to be beauty.com and not just a site to sell cosmetics.

Connecting with the real world...

Some clever and innovative story ideas would certainly find place. Today most publications have a certain amount of dedicated pages to IT news. Business World wants to dedicate 30 per cent of its content to IT news. Financial Express has just come out with eFE. The Economic Times has about 4 pages of it.

In eleven months of its history, hungama.com has not put out a single advertisement. The marketing communication strategy we have adopted has used public relations very effectively. Dot com advertising is possibly relevant when you need to consolidate your position.

The birth of a brand is achieved by publicity not advertising...

"The birth of a brand is achieved by publicity not advertising", said Al Ries, and this could not be truer for the Internet. Reason being that the two or two and a half million current audience is educated, opinionated and unlikely to be carried away by full-page advertising. At the peak of this full-page advertisement euphoria, we spoke to about 180 people and close to 67 per cent said that the messages did not induce trial.

Some key insights...

1. Dot com itself not a brand
2. Choose the right brand name
3. Remember *yeh hai India meri jaan*
4. Evangelise
5. Sell the concept
6. Expand the market
7. You can think like a portal
8. Experiment

A few case studies...

hungama.com introduced a new concept called 'Sneak Peeks' for Warner Brothers. People could actually see the movie before it was released. This was first introduced for 'Matrix'. The entire theme of marketing this movie internationally by Warner was centred around 'what is the Matrix'. hungama created a total of three promotions for them.

We related the scene in the movie where the computer actually says, "wake up Neo," to the main character, except in this case it would say "wake up Neeraj, wake up Vikram, wake up Sudha,"... i.e. it will identify the person who has logged in. Personalisation and interactivity was actually being brought in at that level. We essentially played around the theme of 'what is the Matrix' and that Warner and Matrix give you the answer first. There were 150 tickets to be won.

A host of interactive things were created that could reside with people, such as screen savers, wallpapers, etc. We also created an interactive game with a choice of player and weapon based on a scene in the movie to give them a flavour of what to expect from the movie.

*The launch of
Levis Cargo....*

The objective here was to integrate the web strategy with the product launch of Cargo by Levis. They were trying to use the setting of a cyber pub reflecting the cool attitude that the brand actually stood for. The scene shows some geeks trying to hack into a woman's home through a web cam. The woman very appropriately called Monica is more interested in John Abraham and she gesticulates to him. Our geek friends of course hack in eventually only to find that somebody else had scored. What we created for them was www.monicahackshack.com. It only exists on hungama.com. Anyone who logged on went through a virtual hacking experience. You had to type in a five-letter word, obviously Levis. This was created to gain access across millions of people who went through a virtual hacking experience when they logged on.

Just to summarise there will be real world brands that will emerge on the web but the strategies will have to be the dot com way.

QUESTIONS AND ANSWERS

*What age
group is
hungama
reaching out
to?*

Our target audience is between 15 and 35 from a user perspective. Hopefully that will change once we offer finance and travel related promotions.

*What are the
psychographics
of people
visiting cyber
cafes?*

There are about 2000 odd cyber cafes around the country. We have a database of about 1500 of them and have done work with about 450 of them across seven cities. Typically, students visit these cafes but at some locations an adult audience also goes there. There are viewers who will go there to check e-mails. e-mail today is no more about being cool, it is a utility. In Pune alone there are 247 cyber cafes where you can surf for as little as Rs. 15 rupees an hour. Cyber cafes as a point of distribution are fast emerging as a hang out joint.

*What is the
cost of surfing
at these cyber
cafes?*

In Bombay surfing costs range from Rs. 40-45 an hour. In markets such as Bangalore Rs. 30-35 an hour and in Pune, which is a huge cyber market, it is about Rs20-25 an hour.

*Advertising at
this point of
time may not*

As a marketer at heart, I believe that advertising is relevant. I also believe that there are no first mover advantages in this market to the levels that have been made out in the

play a key role. Once the numbers actually come into play will the dot com brand, which advertises today, have a higher equity when the numbers game actually begins?

American market. Reason being that this market is going to grow from a level of 2½ million to a 30 million market in the next three years. You not only have to build a brand but also sustain the brand building process over the given period of time. You cannot afford to blow up lakhs of rupees on full-page advertising. You are not doing so with an eye on the customer, but really advertising for a venture capitalist. Thus a big difference in the objective. This is not to say that we are not going to advertise. Advertising certainly pays when sustained like in the case of Satyam.

The internet to many companies is a double-edged sword. What happens when rumours begin about a company?

Most admired companies have got irate customers at any given point of time. An individual upset with the service at Walmart created a site called walmartsucks.com. In three days, it got a million hits. For Bill Gates you will find categories such as hateBillGates, loveBillGates. I don't believe that companies have not found out the answer to this. What companies are trying to do is very hurriedly send out a communiqué through the wired world to mitigate rumours.

(Excerpted from the presentation made by Neeraj Roy, CEO, Hungama.com, at PR Pundit's workshop – Pillars of Corporate Reputation, held in Mumbai on March 29, 2000)