The Eleven Immutable Laws of Internet Branding
written by Al Ries and Laura Ries
reviewed by Madanmohan Rao

The name of this book is certainly provocative and you may not agree with everything the authors claim – but this compelling book will certainly set you thinking hard on the basics of launching or reinforcing brands in the Internet Age.

Marketing and advertising consultant Al Ries is the author of business bestsellers like „The 22 Immutable Laws of Marketing,“ and has co-authored „The 22 Immutable Laws of Branding“ with his daughter Laura Ries (herself a former ad account manager). The father-daughter duo also run a strategic consulting firm, Ries and Ries (www.ries.com), in Georgia, USA.

The Eleven Laws cover various aspects of branding on the Internet: business tool, interactivity, common/proper names, singularity, advertising/PR, globalism, speed, vanity, divergence and transformation.

The Net has today fundamentally changed business practices and consumer mediaspace, in ways as significant as the impact of TV on international politics and social habits, or the global scalability of business organisations unleashed by mainframe computing, or the empowering and pervasive aspects of the PC revolution.

However, traditional brand-building strategies don’t work in similar ways on the Net, and brand managers around the world are still grappling with two fundamental questions: What works on the Net? What doesn’t work on the Net?

A company which wishes to truly leverage the power of the Net should treat it as a critical component of business strategy, and not just as another channel in addition to TV and print, the authors begin. If the Web operations are going to be significantly different from the current business practice, then the company must come up with a separate brand name for the Net.

„In the long run, interactivity will define what works on the Internet and what doesn’t work. The secret to branding on the Internet is the ability to present your brand in such a way that your customers and prospects can interact with your message,“ the authors advise.

Interactivity is not just pull-down menus and multiple-choice options, but the ability to let users type in instructions and free-flowing messages (as in Amazon’s book reviews), or to handle complex pricing situations (as in travel sites) and negotiations (as with auction sites).

Non-interactive shovelware sites of traditional media organisations as well as some online publications like Slate have flopped miserably. Very few companies that succeeded in one medium (eg. newspaper, magazine, radio, cable TV) have succeeded in a new medium as well.

Another stumbling block is what the authors call „common noun craziness“ of dotcom names – the obsession and lemming-like peer-pressure to stick with simple but hard-to-differentiate common nouns like Vote.com, Garden.com, Sales.com and Wine.com.

„The best-known, most valuable brand names in the world are all proper nouns, not common or generic names,“ the authors observe – such as Ford, Wells Fargo, Rite-Aid, Ikea, Kroger, Nordstrom, and Wal-Mart.

As it happens, most of the leading Internet brands are all proper nouns: AOL, Yahoo, Expedia, Amazon, eBay, and Priceline. While choosing an easily remembered common name may have worked well as a branding strategy in the early days of the Net, the advantages of a common name for an Internet site are nil in the long run as numerous other similar names crop up, according to the authors.

Thus, eToy.com, iToy.com, Toy.com, and Toystore.com will find it increasingly difficult to brand themselves as sufficiently different from each other.

The authors also advise dotcomers to stick to short domain names, but this can pose some unique challenges – the consulting firm Booz Allen & Hamilton’s Web site name, www.bah.com, does not seem to be a workable solution. „The Internet will force many companies to take another look at their names,“ warn the authors.

URL names could also be suggestive of the category, simple, alliterative, and speakable (eg. for radio ads, or for spreading by word-of-mouth). „When you select a brand name, you should listen to the proposed name being spoken, and not just stare at the word on a board,“ the authors advise.

One key difference between online and traditional branding is that on the Net, there is no second place, no silver medal – the winner takes all. In the real world, there is a strong need for a second brand for almost any category, from the point of view of middleman leverage –
but not so in the PC world or the Internet world.

In 1910, there were 508 U.S. automobile companies – today there are just two, General Motors and Ford. In 1990 there were over 200 companies making PCs; today only two brands dominate, Dell and Compaq.

Once the Web truly matures, there will be opportunities for Number Two brands, according to the authors. It is thus important for Internet brands to be the first in a category, stay focused, and defend themselves strongly from all other competitors. Speed and a sense of urgency are of the essence in Internet branding.

Since Internet brands are “out of sight” until typed in a browser URL window, Internet branding will depend to a significant extent on offline-messages, the authors claim. Advertising and publicity are critical here.

“Just as network TV built the advertising business, the Internet has the capacity to dramatically build the public relations business,” according to Ray Gaulke, president of the PR Society of America.

And in a global economy dominated by powerful U.S. brands like Coca-Cola, Hertz and Microsoft, the power of U.S. Internet brands and the English language will accelerate as well; new brands should also keep an eye, however, on whether their brand names can carry over well to other cultures and languages.

One of the more controversial laws in the book is the Law of Vanity – a brand can not be too many things to too many people. Thus the authors claim that Amazon may be overstretched itself by going beyond its first domain – books – to all kinds of retail, as well as auctions. And Yahoo has moved into non-PC devices and broadband content instead of just an online search service.

“Nothing succeeds like excess. But nothing lasts forever,” the authors warn.

They in fact recommend that Amazon should stick to the book market till it dominates over 25 per cent of this sector in the U.S., and then expand to other languages and countries. Another recommended approach is creating new product lines, as in the case of AOL’s CompuServe brand or Microsoft’s multiple business brands.

The tenth law is the Law of Divergence. Contrary to popular hype about convergence, we are actually seeing a divergence of channels and devices (car radios, clock radios; satellite TV, cable TV; cordless phones, cellphones; PCs, notebooks).

“There’s a lot of evidence that mixing interactivity, an Internet attribute, with the passivity of the television experience just isn’t going to work,” the authors claim.

The final law, the Law of Transformation, enumerates activities and associated brands which will be directly affected by the Internet: encyclopedias, dictionaries, paper catalogs, classified ads, financial services, and telephone-based services.

In sum, this book is a very useful companion for budding entrepreneurs as well as marketing and brand managers in dotcoms and traditional bricks-and-mortar companies. An online companion would have helped to greatly increase the shelf-life of the book, and draw in discussion and debate on some of the more controversial issues raised. Material drawn from other parts of the world or other media like mobile phones would have also been a welcome addition.

Rating

Rating Criteria | Rating
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Theoretical Approach / Methodology | ++
Structure | ++++
Depth of the Analysis | +++
Contribution of New Knowledge | ++++
Applicability | +++
Clarity and Style of Writing | ++++
Rating Points: excellent: ++++ poor: +

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