Domain Names Complement Social Network Marketing

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In this essay I outline the imperatives of the emerging community- and social media–based marketing. I focus on brand-sharing domain-name based Web sites, which must be added to the marketing mix, and point out why marketers have neglected this channel.

Mass markets and mass media are coming to an end, and so is the old, arm's-length relationship between company and customer. The new breed of marketing manager realizes as much and is busy creating news ties with customers by using the Internet. Improved visitors' experiences is part of the answer, and so is creation and interaction with online communities where customers of a given company can provide feedback on their needs or even cocreate products and content. Marketers need to manage the right mix of Web site content, communities, social networks, and products.

Communities of all kinds, including those on the Web, are bound together by earned trust and shared interests. That's the case whether we're talking about a secondary brand label such as Home Depot's hdBusinessToolbox.com, a label that's been licensed to another company to sell under its own name (a.k.a., a private label arrangement), or about organic brand-sharing communities. When a community member feels he or she is no longer truly a part of the community, he or she leaves. In the end that can help companies trying to reach customers on the Web. The customers end up in communities that better reflect their needs, and their needs are therefore better transmitted to the companies.

Communities can be pivotal in:

1. Generating leads. Companies that listen to the voices on brand-sharing sites, that respond to the sites and nurture them, have an advantage over companies that fear the sites as a threat to their reputation. Each member of such a community is a current or a prospective customer.

2. Making product suggestions—beyond individuals acting as lead customers—through collaborative filtering and crowdsourcing.

3. Cocreating content. YouTube has shown us that high-budget branding videos are not a must. Instead of partnering with top-dollar media companies like Meredith, companies can let the public turn its talents loose.

4. Reducing marketing costs. Companies don't have to spend huge sums on collecting and analyzing CRM data. Instead the customers can sort themselves out by going to the communities where they want to be (see Nick Wreden, "The Promise of 'Self-segmentation'," *Strategy & Business*, October 5, 2009). This self-segmenting can be very finely sliced. The traditional one-message advertising is passé. No more, say, Volvo being evaluated on a single dimension, namely safety. Now communities self-segment based on varying dimensions, such as practices, routines for doing things, and narratives that none of which can be duplicated by a main brand and one secondary-brand Web sites.

To take advantage of the diverse types of communities, you must explore venues and platforms. Experimentation has already shown us the superiority of digital to other media; now it can provide insights into what works and what doesn't in the digital world. Remember, we have a ways to go before we can nail down any winning formulas. Budweiser's launch of Bud.tv in 2007 resulted in a rocky road and the site's termination early in 2009. On the other hand Home Depot has had successes with its hdBusinessToolbox.com site. Make the plunge but do it with your eyes open. Learn what you can, map your strategy, monitor results, and be ready to manage the risk of failure.

Focus your energies on profitable communities, and measure profitability by the quality of traffic directed to your sites and by the sales from an ecommerce-based community or licensee. The new metric of marketing success is no longer focused on products; now the key is the community's contribution to the corporate bottom line. (Such a metric should also be used to decide which brand-sharing domain names deserve a cooperative arrangement, as opposed to acquiring them or filing under the Uniform Domain-Name Dispute-Resolution Policy (UDRP).

Below are the advantages of brand-sharing domain name communities:

1. Cooperative sites provide a cheaper and more efficient monitoring mechanism than reliance on technology and independent monitoring companies. The sites have a competitive incentive to monitor each other's content and alert you when necessary.

2. Taking part in a community lets you influence it. A brand name is less likely to be damaged by cooperative brand-sharing sites than independent communities and social media—global and niches through, for example, Ning.
3. You don't incur development and content management costs. With secondary-label Web sites you do.

4. A one-size brand Web site cannot fit all, because customers require user-friendly customized information. A Facebook page, for example, has restrictive content and format. Thus, brand-sharing communities can provide

richer community-relevant content and visuals, and a much more targeted search engine of friends' recommendations than social networks can.

5. There are cultural and language differences among customers. Moreover, different countries use different social networks. (See a world map of social networks.) Brand-sharing communities can do a better job of capturing the spirit and essence of these differences than translations of, say, Facebook pages to various languages and networks.

6. Brand-sharing sites increase the number of favorable search engine result listings and direct navigation traffic. (Direct navigation is when a searcher types the destination URL in the browser instead of using a search engine.)
7. Brand-sharing sites can better tailor products to local consumers, as geographic proximity to customers remains important even in the age of the Internet.

8. Brand-sharing communities are your marketing voices. By contrast, regular communities tend to be closed, especially to marketers who have not yet won the members' trust.

Why are marketers and marketing researchers avoiding the inclusion of the domain name channel in their mix of venues? The following observations can shed some light:
1. Advertisers are being put off by domain owners' rhetoric and the lack of some domainers' respect for copyright, trademarks, and brand names. The distrust is fueled by myopic parking-service providers and ad agencies. Google, as an ad agency and parking provider, is starting to realize the value of quality content and thus has started penalizing the rankings of such domain names. Nevertheless, we need to nurture a cooperative environment.

2. Advertisers face overvalued domain names and price inefficiencies in domain name markets.

3. The purchase of domain name–based advertising does not follow a format familiar to advertisers.

4. Domain names require unique analytical and budgetary allocation approaches.

5. In general, brand owners have not been diligent in managing their IP to maximize shareholder value.■