THE EMERGING NEED FOR PROTECTING AND MANAGING BRAND EQUITY: THE CASE OF ONLINE CONSUMER BRAND BOYCOTTS

Joyce A. McGriff, Southern Polytechnic State University

Abstract

Brand equity is one of the most valuable assets a firm can possess and it is this asset that business firms and organizations are being called into action to protect and or defend themselves from online boycotts. Online brand boycotts are rapidly gaining traction and becoming the negative voice of the consumer (NVOC). Negative brand information can sweep through the marketplace with powerful speed. Once negative information about a product or retail brand is delivered from either the traditional and cable news outlets or from consumers themselves the negative brand information is transmitted virally. This virulent "anti brand" consumer voice can and often becomes toxic. The idea that there is a persistent and virulent online effort to dissuade consumers from purchasing branded products or to not shop at retail (brand) stores is worthy of investigation. In response to the proliferation of attacks on brands, marketers will need to become proactive in protecting the equity of their brands.

Introduction

The latest review of marketing management and brand management textbooks do not specifically address the eminent threat to cyber brand equity management. Beyond the normal cyber threats to firms, consumer boycotts have emerged as more than a nuance for many firms a quick Google measure of online boycott references as of February, 2012, for Bank of America (5,440,000), Wal-Mart (77,000), Nestle (29,500), Nike (1,440,000), Ralph Lauren (22,900), Georgia Pacific-Koch brothers, (35,100), and Susan G. Komen (22,000) to name a few. To date it is unknown what or if financial losses accrue due to online consumer boycotts are and specifically there are no publically known metrics that help firms to measure the discontent and actual boycott behavior. Some firms are beginning to respond however, most brand companies have not taken a full inventory of its vulnerability to online consumer boycotts and initiated formal or structural ways to cope with consumer based boycotts. Consumer boycotts are believed to be short lived among some researchers however, there does not appear to be any empirical evidence to support this, we can assume these boycotts can have the potential for greater long term harm.

Marketers are increasingly grappling with leveraging social media to positively affect their brands and their related value propositions. Some managers have fully embraced the two way media while others are slowly coming to grips with the necessity of using social media as an instrument of communicating with consumers. The evolution of the social media and technology is moving into a powerful tool for effective brand equity management or if left inadequately attended can result in decimation of the positive reputation and image of any brand.

Managing brand equity in the expansive universe of social media includes: E-mail, Instant Messaging (IM) and Chats, Twitter, Websites, blogs and micro-blogs, Internet telephony (e.g. Skype), Online Videos (YouTube), Online Communities, Internet Forums, Podcasts, Social Networks (Facebook, MySpace, etc.), Wikis (e.g. Wikipedia.org) Social Bookmarking Platforms (Del.i.cious, Digg, Propeller), these media outlets pose tremendous managerial challenges to brand or product managers. As a priority most current efforts to embrace social media communications is focused on using the various tools to enhance the brands' image and create substantive relationships with online consumers. This priority leads to the problem of not recognizing or adequately dealing with the problem of negative online brand publicity, which leads to the lag factor in what is deemed important in managing the brands image and reputation in the new world of social media.

Strategies for coping with brand boycotts are emerging in varying degrees of sophistication in countering negative brand information. Many firms through their corporate public relations are generally poised to handle a wide assortment of company and product related crisis through their crisis communications plans. Product and brand managers will need to include these strategies in their arsenal of controllable tools such as advertising, direct marketing, sales employees, public relations etc. to help manage and contain consumer boycotts. Consumer boycotts negatively shifts the value proposition of the brand and thus requires attention for damage control, that if left unattended can result in loss of revenue, image, and reputation, the core foundations of a brand's equity. Emerging marketing, product, brand manager and students will require instruction related to strategies that specifically address, counter attack, maintenance, redirect or leveraging the NVOC.