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One of the strongest held beliefs among marketers is that brand plays an important—even crucial—role in consumer decision-making. But recent developments in consumer electronics should make us all stop and think. Consider two examples: Roku, a virtually unknown brand, captured significant market share in the streaming set-top box market. And in the tablet market (the iPad notwithstanding) some reports suggest that "tablet buyers don't care who makes their devices." We attribute these phenomena to a fundamental shift in the way consumers make decisions. Let us explain this shift and how it shakes long-held beliefs about three concepts in marketing: brand, loyalty, and positioning.

Brand. In the past, consumers had no way of accurately assessing the real quality of things directly, so they usually evaluated quality based on generic, top-of-mind reference points and quality proxies. One such proxy was the brand name. But brands are less needed when consumers can assess product quality using better sources of information such as reviews from other users, expert opinion, or information from people they know on social media. Reassured by the opinions of others, consumers are less hesitant to try a lesser known brand like Roku. (Roku 3 has 4660 reviews with a 4.5 star average on Amazon.com). The same thing happens in the tablet market where people feel comfortable trying brands such as Acer or Asus instead of well-established brands. And of course, this shift in decision-making is not limited to consumer electronics; it can be seen in the way people shop for cars, hotels, books, restaurants, and many other products and services. The main implication is that it presents newcomers with lower barriers to entry and, as a result, creates more volatility in brand equity (which means that newcomers who are rejoicing as they gain market share should realize that they can fall just as fast).

Loyalty. Another proxy that consumers used to rely on was their past experience with a company. Standing at a computer store in the 1990s, a customer might have looked at a laptop and thought to himself: "In the past, I used a Toshiba laptop that worked fine – so this Toshiba must be good, too." Since he didn't have too many alternative sources of information, it made sense to stay loyal to Toshiba (or Sony or Dell). But in a world with good, low-cost information, the customer can easily start from scratch each time. Many marketers still believe in the power of consumer loyalty and the great profitability of even a small increase in the number of consumers declaring themselves "loyal." But more and more consumers think about their relationships with companies as an open marriage. Loyalty doesn't benefit the customer as much as it did in the past. Are we saying that this is the end of brand and loyalty? Of course not. Apple, the leader in the tablet and set-top box markets, is a prominent example of that (although its success can also be attributed to offering high-quality products). What we're saying is that the power of brand and loyalty as the main cues for quality is diminishing.

Positioning. This is another concept that is becoming less relevant as consumers increasingly rely on the opinions of others. Yet many marketers still believe that they can drive product perceptions based on the way they present their products relative to other options. The idea behind positioning is that each marketer has to find an area that is not occupied in the consumer's mind and capture it. (In automotive, for example, Volvo stood for "safety," and Toyota captured "reliability.") But when consumers base their decisions on user and expert reviews, nice positioning statements are less likely to be adopted by the market. It's simply that reviewers on the Web tend to evaluate multiple features of a product and are not likely to isolate a single attribute just because it was highlighted in a company's ad campaign. For example, in recent years we've seen a couple of attempts to introduce new phones that would be positioned as "the Facebook phones." But reviewers—and as a result consumers—evaluated *all* features of these phones (comparing, for example, camera, thickness, and display) and didn't necessarily put any emphasis on how well the phone works with Facebook. Marketers can save themselves a lot of money by avoiding doomed-to-failure positioning attempts.

When consumers can assess their likely experience without having to rely on things like brand names or prior experience, everything changes. Yet most people think about marketing using the same old concepts. Despite all the talk about the Internet and social media, the presumed critical roles of branding, loyalty, and positioning have not changed. It's time to seriously reevaluate these and other long-held beliefs about marketing.

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