

Effective Online Branding

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Executive Summary

The increasing growth of the internet has large implications on how people perform tasks in new and unique ways. Recently companies have begun to use the internet to build brands. This research paper examines the implications of the internet on brand building. The advantages of online branding as well as the problems associated with it are identified.

The unique nature of the internet means that companies must find ways to build their brands without resorting to duplications of their offline campaigns. However, they must at the same time transfer the core values of their offline business onto the web. Several strategies that can accomplish this daunting task of creating effective online branding are mentioned in this paper. A new model for effective branding is also proposed.

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Introduction

The rapid growth of internet adoption has caused great change to the ways in which people communicate, carry out their lives, and conduct business. While the internet has existed for some time, the growth rate of the number of internet users has continued to rise – achieving a growth rate of 183% between 2000 and 2005 (Internet World Stats 2006).

Firms are beginning to realize the impact this high growth industry has on the way in which they can achieve goals. Managers are realizing the importance of the internet as a strategic weapon that can be applied to traditionally offline activities such as branding (Simeon 2001). The purpose of this research paper is to focus on the implications of the internet in the branding activities and strategies of organizations. It is also the purpose of this research paper to examine how businesses can create online branding campaigns that also take into consideration offline campaigns.

Online Branding

Kotler defines a brand as “a name, term, sign, symbol, or design, or combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” (2004). The brand is used to give consumers a sense of the value, meaning, and feeling to a product to set it apart from other similar products. A successful brand is one that is thought of as the ‘best choice’ in the mind of the consumer while producing an image of the product that is true to the customers’ and companies values. A strong brand can accelerate the market awareness and acceptance of a product while reducing the risk of product failure (Rooney 1995). The end goal of branding is to influence consumers to buy a product or service because the brand represents the value, lifestyle, image, and price that they are looking for.

The brand image and values are communicated to consumers through its name, the product packaging, as well as communications from the company to the consumer. A name for example can be used to portray the product’s value and can facilitate the recognition of the brand. The packaging of the product can also be used to portray a certain image. The actual product itself, through its usage, creates an image of a brand. Furthermore, communications about a product through marketing campaigns can provide an image of the product before a customer actually sees it (Kotler 2004, Rooney 1995). The internet can build brands by facilitating the marketing communications, by giving name recognition to products, and by providing a way to access products through the use of web sites and other internet based technologies.

The use of websites is the primary way in which companies communicate their brand online. The AIPD model (See figure 5 in the Appendix) suggests that successful websites improve brands by attracting, informing, positioning, and

delivering. Attracting refers to the fact that companies need to find ways to get people to visit the website in order to benefit from it. This is achieved through non-website functions such as online advertising, e-mail advertising, or offline mail or print advertising (Simeon 2001). A recent surge in spending on online advertisements indicates that companies are currently very interested in attracting people to their websites, and to their products (Lacy 2004). The informing function refers to the fact that websites must provide information about their products and services. Websites also need to position themselves by offering unique services that set their site apart from competitors' sites. The delivering function refers to the necessity of a reliable IT infrastructure to allow the website to function correctly (Simeon 2001).

The AIPD model may seem simple or common sense, but companies have failed due to an inability to perform all the functions. VoicePod is an example of a product that failed to attract customers. The product was poorly marketed and did not attract customers to the website or to the product. As a result, brand awareness was low and sales were too low to continue selling VoicePod. Boo.Com is an example of a company that failed the delivery function. Boo.Com had properly promoted its website, but experienced numerous technical failures that caused frustration with the website. This frustration among consumers had a negative impact on the brand image, which resulted in a loss of sales and the eventual closing of the business (Haig 2003).

Problems in online branding campaigns often occur when the company does not understand the role of the internet in relation to the offline world. Some view the internet as a whole separate entity that requires its own set of rules and values than the offline branding campaigns. Others believe that the internet is just another communication channel that they can push their offline content through. In reality, the internet is a unique channel that has its own separate attributes that do not fit the offline branding activities, but also isn't something that is completely separate from traditional branding (Haig 2003, Ind 2001). Figure 1 illustrates the differences in the measures that create value in a brand. While traditionally pricing, market share, and price heavily influence brand image, the brand image online is heavily influenced by community, site design, and user experience (Christodoalides 2004).

Traditional values of offline campaigns often can transfer over to the internet, and even compliment the branding efforts. For example, the principles of Avis's offline branding campaign (see figure 6) can be complemented by the internet. The information provided by the website can be made to be honest and online communities can create accountability. The internet also provides great flexibility in the brand as a website can be changed fairly quickly to reflect new brand values (Salerno 2001).

Companies have succeeded in merging offline and online branding. These companies have used the web to as an extension of their offline business, but have added features specifically tailored to the web. A prime example of this is McDonald's 'I'm lovin' it' campaign. This campaign blanketed all aspects of the McDonald's

business, including the online website. McDonald's was able to use their website to reinforce their traditional brand values of fun, family, and community. They achieved this by making the look and feel of the website mirror offline ads and designs. The use of a logo, graphics, font styles, colors, shapes, and layout all supported the overall brand. The website also utilized non-traditional methods of building interactivity and community through the use of online forums and games. McDonald's was able to utilize the traditional brand in new nontraditional ways, attracting customers and building brand awareness and loyalty in the process (Rowley 2004a).

Branding Strategies

Despite the success of companies such as McDonalds, a well defined and clear strategy for the use of the internet in branding does not yet exist. While a powerful and necessary tool for branding, the internet's complexity brings uncertainties and problems that make it impossible to create one single strategy that will work for every company. In this section some of these problems will be identified, and models for an online branding strategy will be examined.

One problem with online branding is that it is difficult to measure the effectiveness of branding campaigns. It is often hard to determine what exact correlation an advertisement, for example, will have on brand awareness. Also, the degree in which this brand awareness will lead to sales is difficult to measure. While surveys are often a useful tool of measurement, they are often costly. Survey's also run into technical issues when pop-up blocking software prevents users of a website from even seeing the survey. In the past the usefulness of surveys was questioned due to the demographic gap associated with young males using the internet. This gap has recently declined as females and males of all ages are now using the internet. The surveys and studies often are difficult to interpret due to the use of third party companies that do not use standard techniques or measurements. One of the popular ways in which companies have tried to work around the issue of surveys is by tracking how users behave on their website (Rigby 2006) by using website logs (Christodoalides 2004).

Another issue is the uncertainty of what strategies are best in attracting users to the website. While it is a popular strategy to utilize search engines to attract users, there still are two different techniques to do so. One technique is search engine optimization, or the designing of the website in a way that naturally allows the website to be advertised at the top of search engine result lists. Once the website is set up this does not require large maintenance efforts or costs. However, this does not guarantee that the website listing will adapt well to changes in search engine techniques. Paid search engine listings guarantee the listing of the site at the top of the list. However, paid listings often incur constant costs that can be high. While a combination of these techniques can be achieved, it is not clear whether the cost to

do so would be lower than the derived benefit of brand recognition and attraction to the website (Marketing 2006).

Yet another issue is that it is difficult to maintain branding consistency among websites that contain hyperlinks to other sites that are not in the firm's control. An example of such a website would be an online library database portal, which links to several different publications and several websites. These types of websites create what Rowley refers to as a 'brand web' (2004b). In a brand web the experience a website's user has is linked to the experience the users has at sites that are of a different brand. If a positive experience is achieved at another firm's website, a positive branding affect exists. However, if a negative experience exists, there will be a negative impact on the brand of the portal site. It is difficult to avoid this as it is difficult to manage and maintain consistency among brands within the brand web (Rowley 2004b).

One model for creating a branding strategy to strengthen brands while reducing the risks associated with the problems discussed earlier is a model proposed by Ind (2001) (See Figure 1). This model attempted to explain the results of an interview based study on brand management. A key aspect of this model is the concept of a 'brand idea' which would be central to the internal operations of the company. The brand idea is the collective thought of what the visual style, personality, and values of the brand should ideally be. This is the direct result corporate identity and culture. This central brand idea can be used across brands and in both online and offline environments to portray a cohesive and consistent brand image. This brand idea drives and interacts with the marketing efforts of the company, its employees, and its products. The external customers and stakeholders then perceive a brand image from viewing the products, from employee interaction, and from marketing communications such as websites. If these efforts are performed correctly the brand image becomes positive, allowing greater positioning against competitors and creating brand loyalty and reputation (Ind 2001).

Central to this model is the theory that corporate branding is an increasing trend and that this requires a heavy integration of internal activities. The model also suggests that employees are vital in the success of a brand as they communicate the brand idea to external agents. In order to achieve a consistent brand image the employees need to have a high degree of shared values, good communication, and similarity (Harris 2001). In the researchers own opinion and experience it is often difficult to achieve consistency in the employees' execution of the brand values, especially on the front line where it matters most. Furthermore, the increasing trend towards outsourcing suggests that it may be difficult to achieve consistency in the brand idea when the employees or even the brand management is from an outside company with a different set of corporate identities. The brand web problem described earlier also presents a problem as it may be difficult to achieve a brand idea among separate brands.

Another model was proposed by Jin (2003) to present a strategy to increase brand image through the use of emotional branding (See Figure 2). This model suggests that companies can make up for the lack of sensory experience on the internet by taking advantage of its accessibility, flexibility, and community. Jin suggests that successful brands can be built or improved by creating a website design that contains customization and communications that create a new form of culture. This can be achieved by utilizing and creating interactive multimedia, a customized web experience, emotional communications, and online communities. An example of a well branded design would be shutterfly.com (see figure 4), which creates a customizable experience and offers an online community that create a culture of its own (Jin 2003). An example of the benefits of a community is the impact of the building of an online community by Fox's DVD and TV sales website. After a campaign that involved community voting and involvement, the brand awareness of the Angel TV series increased 43% (New Media Age 2003).

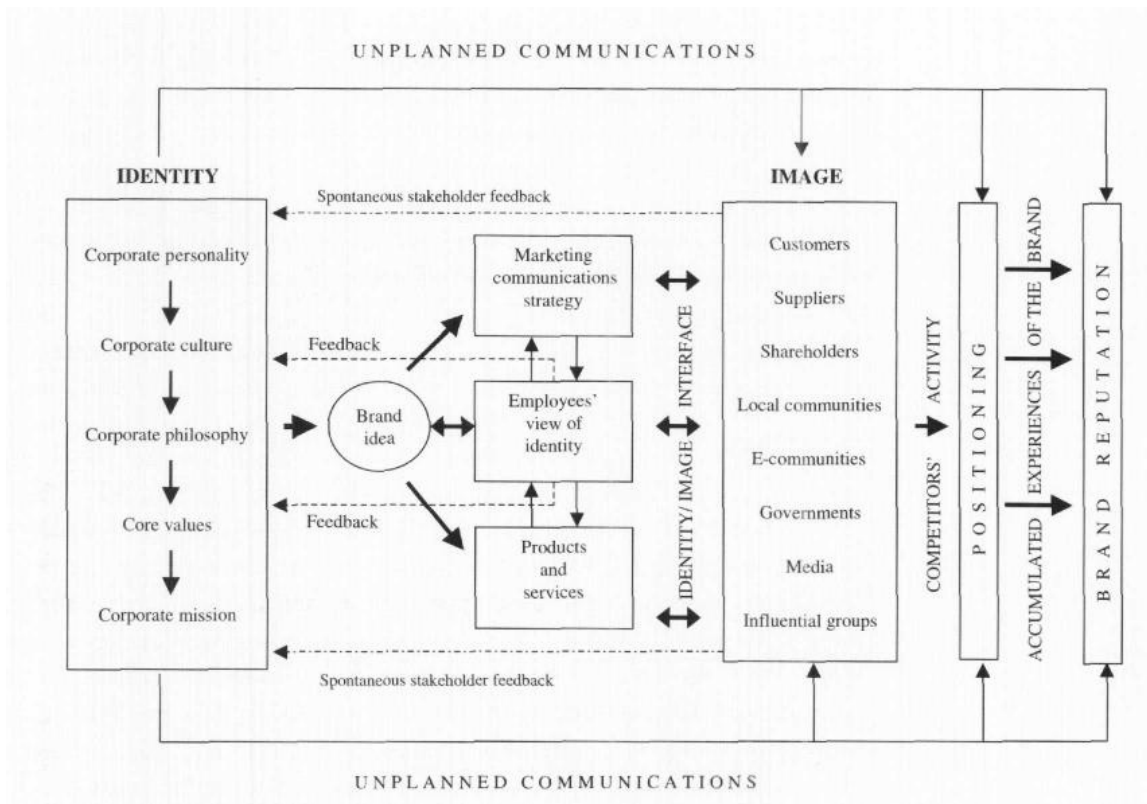
Based on the models mentioned this researcher proposes a new model (see figure 7). Due to the inherent difference between the internet and the offline world, there needs to be some distinction between offline and online brand ideas. However, both of these ideas must be centrally influenced by an overall corporate brand idea. Furthermore, the feedback to the brand idea of external agents and capabilities was added. A brand idea must be based on some sense of the limitations of the company's technical and financial abilities. External agents, in the form of brand webs and outsourced companies, also present feedback to and receive feedback from the brand idea. It is also proposed that the marketing and communication efforts online take the form of emotional branding by offering customized, community and culture driven experiences.

Conclusion

The internet provides a unique set of advantages and a unique set of problems to firms that wish to take advantage of its branding building capabilities. Firms can drive sales and create customer loyalty by building brand images that convey the values that match customer and corporate needs and values. While the branding process online must be unique to the internet, it also must match non-internet based campaigns in order to create the most value for the brand, the customer, and the company. Several models and strategies were examined in order to better understand how to create effective brands online, and a new model is proposed for consideration. However, due to the changing nature of the internet and due to problems that cloud strategy, additional research into solutions to the problems mentioned would be beneficial. Furthermore, additional research into the effect of external agents such as outsourcing companies and brand webs is suggested in order to better understand their effects on brands.

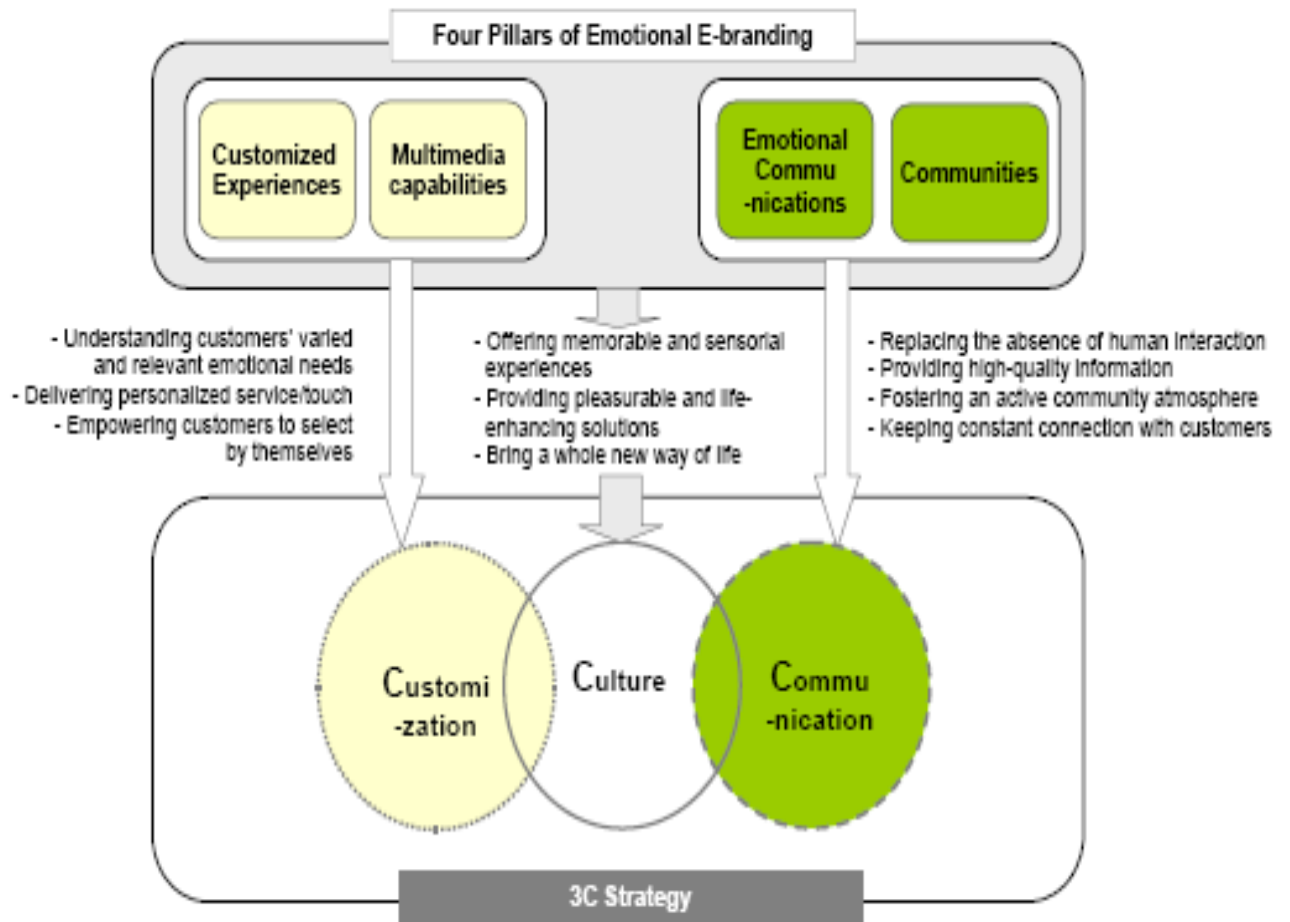
Appendices

Figure 1



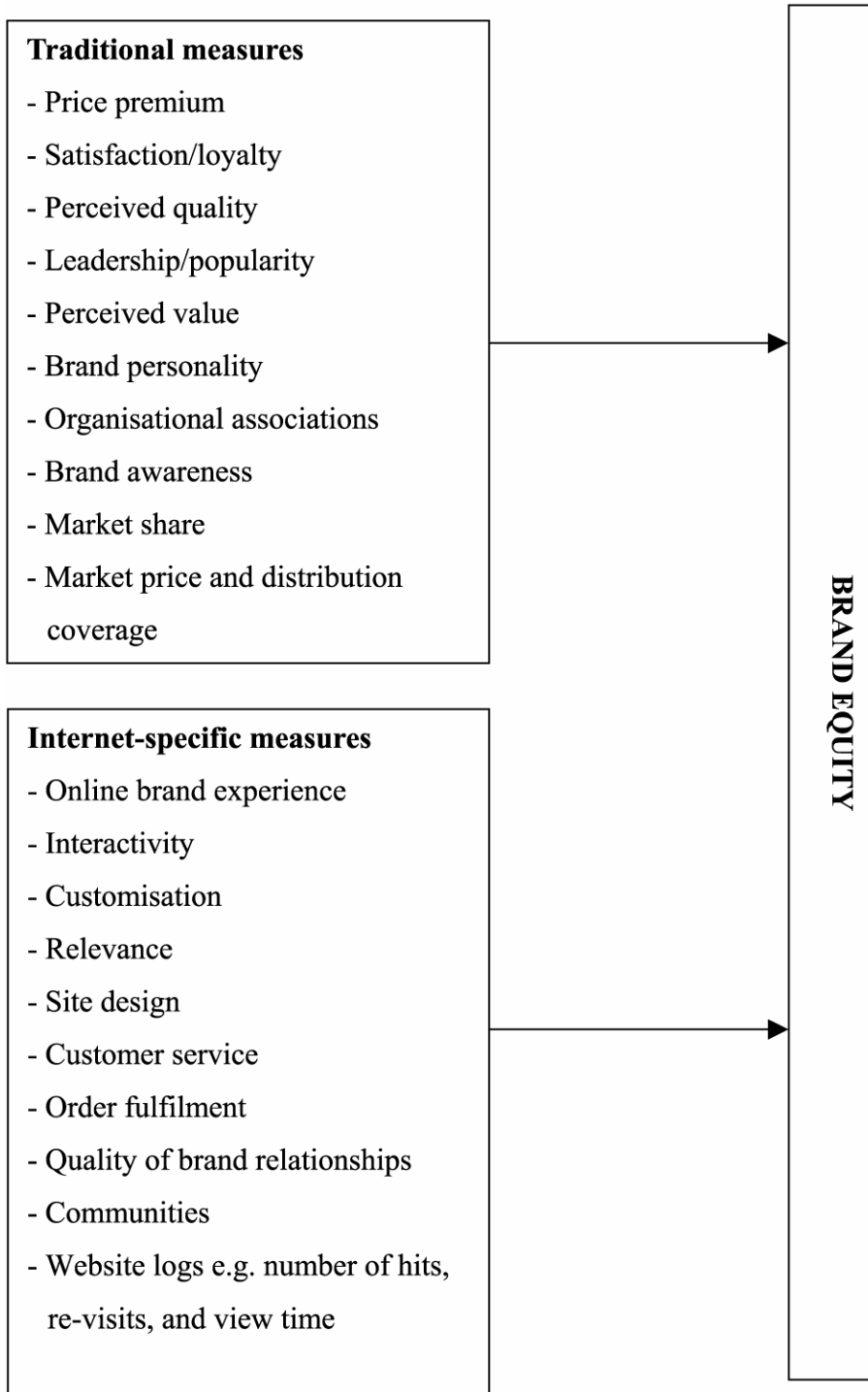
(Ind 2001)

Figure 2



(Jin 2003)

Figure 3



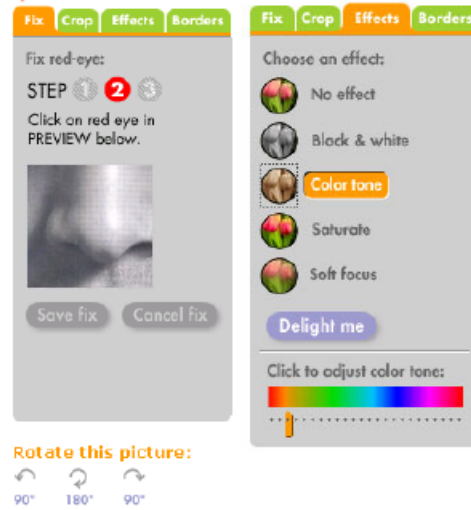
(Christodoalides 2004)

Figure 4

The online albums that keep and share pictures

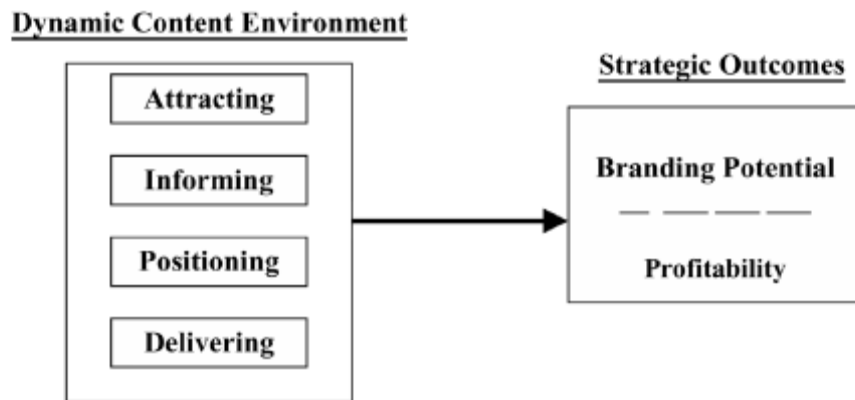


The picture-managing services for enhancing pictures fix, crop, effects, and borders



(Jin 2003)

Figure 5



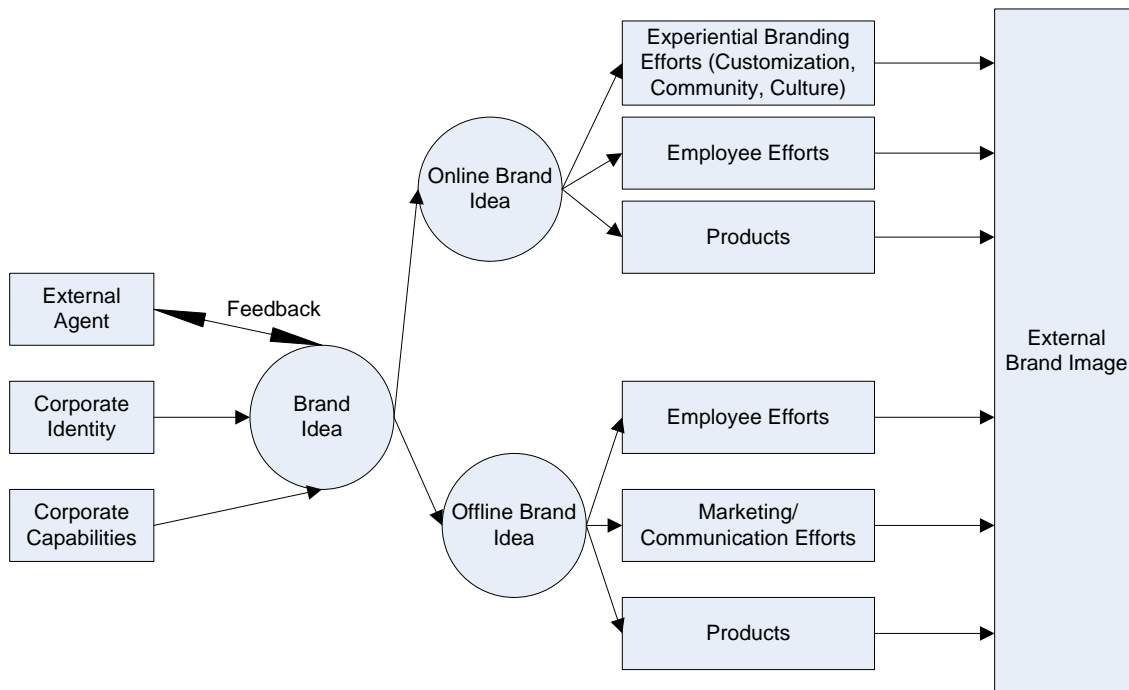
(Simeon 2001)

Figure 6

Lessons from Avis:

- 1) Be honest about your brand.
- 2) Every business has a competitive advantage.
- 3) Accountability is the key to building a brand through marketing.
- 4) Don't forget your front line.
- 5) Flexibility is the key to longevity.
- 6) Once you have a strong positioning campaign, let it be your guide.

Figure 7



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