Branding in Cyberspace: Implications for Marketing & Management

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Abstract

Branding in cyberspace, cyberbranding, digital branding or e-branding is attracting the attention of many corporate executives in both traditional and internet companies. Branding as a marketing concept is universally known. Branding is the effort of a company to evoke a particular response in the end user/consumer's mind about a particular product or service.

The brand is not only that product or service, but also all of the emotions, perceptions, and impressions experienced by the person buying or using that product or service. Companies spend trillions of dollars each year in efforts to brand their company, their products, and their services. But at the end of the day, brand managers can't actually dictate what a brand really is. They can try everything possible to convey a certain message about their brand, but it is still the impressions left in the mind of the end user that dictate the success or failure of the brand.

What is cyberbranding? How is it different from traditional branding? What are the major cultural issues in cyberbranding? What is cyberbrand equity? How should a manager create and grow strong brands in a digital environment? How should one deal with merging brand entities? These important questions are addressed in this article. The article also suggests that marketers should view cyberbranding not in isolation, but alongside traditional branding while extending some enduring principles generally associated with traditional branding.

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1. Introduction

When Philip Morris acquired Kraft several years ago, it paid six times the value of Kraft's physical net assets. The Philip Morris CEO indicated that his company needed a portfolio of brands that had strong customer relationships that could be leveraged to enable the tobacco company to diversify itself, especially in the retail food industry [1]. In other words, Philip Morris was prepared to pay billions of dollars for a set of customer and trade brand relationships and the anticipated support such relationships would provide.

What then is a brand? One official definition by Interbrand, the London-based brand consulting firm, is "a mixture of tangible and intangible attributes, symbolized in a trademark, which , if properly managed, creates influence and generates value" [2]. Brand is therefore the sum of visual, emotional, rational, and cultural images associated with a company or a product that set them apart from their competitors. The brand Volvo, may conjure images of safety. When consumers think Nike, they might think of Michael Jordan or the Nike slogan "Just Do It." Brand recall accompanied by positive associations with a brand makes a customer's product selection easier and enhances the value and satisfaction gained from the product.

While Brand X cola or even Pepsi-Cola may win blind taste tests over Coca Cola, the fact is that more people buy Coke than any other cola and, most importantly, they enjoy the experience of buying and drinking Coca Cola. The fond memories of childhood and refreshment that people have when they drink Coke is often more important than a little bit better cola taste. It is this emotional relationship with brands that make them so powerful [1].

2. What Makes Up a Brand Identity?

A brand comprises three things: what a company sells, what a company does, and what a company is. Invariably, a brand represents a set of promises. These promises include implied trust, consistency and a set of defined expectations. Strong brands occupy a position in the mind of the customer that is unique to that brand. Brand identity includes brand names, logos, positioning, brand associations, and brand personality. A good brand name gives a good first impression and evokes positive associations with the brand. A positioning statement tells, in one sentence, what business the company is in, what benefits it provides and why it is better than the competition. Imagine you're in an elevator and you have 30 seconds to answer the question, "What business are you in?" Brand personality adds emotion, culture and myth to the brand identity by the use of a famous spokesperson (Bill Cosby - Jello), a character (the Pink Panther), an animal (the Merrill Lynch bull) or an image (You're in good hands with Allstate) [3, 17].

Brand associations are the attributes that customers think of when they hear or see the brand name. McDonalds television commercials are a series of one brand association after another, starting with the yellow arches in the lower right corner of the screen and following with associations of Big Mac, Ronald McDonald, kids, Happy Meal, consistent food quality, etc. [1]

Branding is more than just ensuring that customers recognize a logo or product name. Branding means creating an emotional association (such as the feeling of success, happiness, or relief) that customers form with the product, service, or company. There are two basic techniques for branding: direct experience and indirect messaging. With direct-experience branding, users attribute emotions directly. For example, when customers test drive a car or eat a restaurant meal, their direct experience influences their feelings toward that vehicle or establishment [1].

However, marketers can’t give users a direct experience for most products and services, so they need to use indirect messaging for their branding. For example, Nike sponsors sporting events to encourage the attendees to associate Nike products with the fun and excitement of the sport. Companies also create slogans ("Avis: We Try Harder," or "Built Ford Tough") and use them everywhere. TV commercials, magazine ads, and billboards are all indirect messaging. But this form of branding needs repeated exposure —conventional advertising wisdom says that a message isn’t effective until the customer has received it at least 10 times [1].

3. What is Cyberbranding?

According to Deidre Breakenridge(19xx), If you take a logo, a company, a promise and a full set of values and expectations and mix them all together, what you get is the traditional meaning of a brand. However, if you have the same mixture of elements and put them on the Internet, they do not make up all the components of a cyberbrand. The Internet Breakenridge argues allows the brand to move into a new realm, and makes it possible for consumers to experience the brand on an interactive level.

Branding in cyberspace is no different than traditional branding. Huberman spent some time discussing the issue of branding in Cyberspace. First he provides a simple definition of a brand: a simple encoding of the attributes and reputation of an individual or firm. The purpose of a brand is to solve the problem of having to search a large space or to choose from many options. Huberman goes on to say that in cyberspace, many firms can easily offer the same service to the same markets. These brands interact either as substitutes (competitors) or as complements in what is known as umbrella branding , in which complementary brands are associated in the consumer’s mind [4].

The Internet continues to innovate new paradigms that allow manufacturers and service providers to link directly to their target customers. These paradigms are likely to change the nature of commerce. However, in an increasingly globalized economy, the Internet now can also affect the value of the brands in which companies have invested so much time and capital. Daily, companies launch new media campaigns, many of which incorporate today's interactive technologies, to keep their products and brand names visible amid the myriad choices facing today's consumers around the world. But they may fail to consider how these campaigns will affect their brands' value and reputation in the long run. Consumers desperately need a tool to cull the many suitors for their pocketbooks. Thus, reinforcement of a consistent, trustworthy brand message across many media is an important means of promoting product awareness and loyalty in a bewilderingly cluttered marketplace [5].

Though the internet revolution has put many companies on the defensive in protecting their names and reputations, the Internet can also help promote a brand's name and image in new markets in a variety of ways. Naturally, the Internet provides a forum for disgruntled consumers to broadcast their resentment of a brand across the world to millions of potential readers and customers alike, undermining the consumer trust and reputation for quality upon which brands depend. Thus, companies need to understand the factors that contribute to a brand's equity and the ways in which the Internet and the global economy can affect it.

4. The Difference between Cyberbranding and Traditional Branding

Organizations of all types, including privately held and publicly traded companies, non-profit associations, and even cities, countries and individuals are recognizing the value of using their brands to improve performance and build deep relationships with their customers. The reason for this rush to branding is simple. Intense market place competition and the ease of product duplication means that brands are the defacto means of simplifying the decision-making process for buyers and users. If managed properly, brands create difference, relevance and affinity. Branding on the internet is not that much different than traditional branding [6].

The combination of the brand and the technology that communicates its message is a powerful combination.

With each combination comes what Breakenridge refers to as a *differentiating factor*. Print and broadcast media for instance had positive brand factors in their early days. Print media's instant credibility and broadcast media's opening up consumer's ears and eyes to audio and visual entertainment were unique to the two media. With each factor came the opportunity for the brand to be more persuasive to evoke consumer action [7,15].

The Internet and the Cyberbrand entice consumer action with several differentiating factors.The Internet is the one place where a consumer can interact with a brand for hours prior to an actual purchase. Because of technological enhancements, the consumers interaction with the brand can be in the form of audio, video, or 3D animation. The bond between the consumer and the brand is enhanced as a result of constant one –to-one communication. Chat sessions, message boards and the ability of the consumer to request information or make a service inquiry are all various forms of the two-way communication that results from a cyberbrand relationship [7].

5. Global & Cultural Issues in Cyberbranding

The concept of branding is universally known. Only countries have borders; brands do not, as long as they are respectful of global issues. Brands travel across global boundaries and impact different nations in various ways. Global marketers strive to achieve a balance between art and science. The art of branding has its creative meaning that is universally accepted by all. Global brands are capable of enlightening scores of populations, bringing experience and fulfillment of expectations. The science is the careful research and development of the global brand, the precise method of communication, and the calculated timing of its message. When the balance of art and science is achieved, it doesn't matter if Coke is bought in a store in the United States or on the roadside in Mongolia. Either way, the Coke brand evokes a refreshing experience and a "good time" feeling [7].

The debate continues about whether the global branding paradigm is applicable to all brands and all product and service categories. The increasing availability of information via the Internet, both in breadth and depth, and increasing commercial globalization have helped expedite an answer. If companies do not globalize brand images, then consumers who encounter dissonant brand images, intended for different regional audiences, will become dissatisfied when they see an image that differs from the one they have entrusted the brand to maintain. Thus, not only does global branding reduce marketing budgets, but it is necessary to maintain long-earned equity in all markets entering the information age [5].

The World Wide Web not only delocalizes a company's customer base, but it is also the technology by which a company can most easily introduce interactivity into its marketing and customer service activities. The age of interactivity will obviate mass-market technology. Companies will have to design products and services to meet the specific needs of individual consumers: Custom products beat standard ones 100% of the time. Though the range of variations may be narrow, the dialogue between the company and the consumer must empower the customer [5].

Inconsistencies are taboos in brand management. Consumer research suggests that consumers unconsciously perceive an incongruous representation of a brand--through its name, advertising, and packaging, experience dissonance, and subsequently switch brands. Companies wishing to establish a presence in cyberspace should do so carefully. Web sites should provide the same feel, format, and images that have proved successful in advertising campaigns. The Internet is primarily a tool to strengthen existing equity, not to establish it (except for a few niche industries that have their foundation in the Internet, such as Internet gambling, pornography, and book distribution) [5].

Another ongoing challenge for marketers according to Deirdre Brekenridge is to realize that worldwide brands carry the burden of cultural intricacies. As a matter of fact, in Asia-Pacific regions, "a common Chinese idiom describes Asia as an area of great treasures but a place filled with hidden dragons and tigers," may sum up the obfuscation marketers face when promoting global products. With language and culture posing the biggest threats, western marketers need a thorough understanding and appreciation of a region before introducing a brand in that region. Research is always imperative in a global effort. Common mistakes made by marketers include lack of research in the translation of names and spelling. Not verifying translation in the Asia-Pacific region can be the downfall of a brand. It is therefore no coincidence that Pepsi-Cola means "a hundred happy things " in Chinese, and is considered a lucky name [7].

6. Creating & Growing Brands in a Digital Environment

Consumers have different values, lifestyles, and resources, which guide their purchasing decisions. Consumers also prefer different advertising styles and content and use media representations in different ways to appraise a brand. Some consumers respond well to endorsements from "trusted" professionals, whereas others don't. Some people want detailed product information, whereas others want their purchasing decisions to be as simple as possible. Understanding a brand's target consumer through psychographic profiles is an excellent way to ensure that advertising through print and broadcast media presents the brand image and "attitude" appropriately. The Internet's increased interactivity and selectivity for loyal customers make psychographically integrated marketing even more important in cyberspace [1,13].

Regardless of the clear advantage, many companies are likely to make some common mistakes in relation to their brands in cyberspace. They may adopt a one size fit all approach in handling both their Internet users and traditional channel users alike. One reason for this assumption may be the similarity of the demographic composition of both user groups. However, Internet users have significant attitudinal differences. Companies may also erroneously assume that the Internet is just another channel of distribution for their product and/or service. In realty, the Internet is far more than that. It is a new category with much broader one-to-one reach. Therefore, the Internet must be seen in proper context and used effectively to strengthen the brand [6].

7. Merging Brand Entities

Co-branding is the practice of placing a company's logo or content on someone else's Web site. It could be a clothing, toy or fragrance label on a department store site. It could even be a comic strip on a news site [8,12].

The fundamental value of co-branding arrangements is that an asset of one party -its brand and image- is acting as a magnet to draw surfers onto the Web site of another party. Ideally, this is a win-win situation. The Web site benefits by the increased traffic. The brand owner enhances its image and brand strength by associating with a wider range of products or services, as well as possibly an alternate distribution channel for its own products or services [18].

In addition to increasing traffic and boosting brand awareness, co-branding generates the following advantages: an expanded base of users and shoppers; diversified content; integrated clicks, bricks-and-mortar operations; additional sources of revenue; and a virtual alternative to a merger or acquisition [14].

But co-branding can do more than add value and drive traffic to lesser-known e-tail sites. If not properly structured and monitored, they can weaken or dilute a brand. In order to protect the integrity of everyone's brand and realize the desired benefits of co-branding, agreements need to be ironed out addressing the myriad issues that can result from the relationship [8].

8. Implications of Cyberbranding for Marketing & Management

With the Internet revolution sweeping the globe, firms are struggling to understand how to leverage this new opportunity. Many small and medium enterprises view the Internet as an unique vehicle to help them compete on an even basis with larger firms"[9]

Moore and Andradi (1996) reviewed the "key competitive dimensions which will determine who dominates in the furure development of business on the Internet" and proposed that "the winners on the WWW will be leading brands, big access providers and firms with existing relationships with customers." Moore and Andradi's proposition is based on the four competitive dimensions of (1) access, (2) brands, (3) content and (4) relationships – areas in which they argue, large firms have the advantage. Nevertheless, they suggest that co-branding with leading companies, short-burst advertising on leading service providers, and being a specialist player are the means by which small firms can compete in the digital environment with their larger competitors [9]. They argue that small and "less well known" brands can leverage their brand value and add credibility – a challenge to marketers on the Internet) – to their company through strategies such as co-branding and strategic alliances with larger, more established brands on the Internet (5].

In cyberspace, marketing is more than just finding a catchy way to get the masses to buy a product. There are myriad factors a brand considers when jockeying for position in a competitive industry--among them the speed of the Internet, the sheer number of users online at any given time and the relative inexpensiveness of creating a website.

To say traditional, offline branding tactics--such as TV advertising's demographic targeting--don't necessarily translate well online and that companies, especially in a heated market such as telecom, must find new ways to reach and retain customers might be stating the obvious. But, according to Rob Frankel, president of robfrankel.com, a Los Angeles-based brand consulting firm, it's surprising how little so-called marketing experts know about the Internet [10].

So although cyberbranding and offline branding aren't exactly apples and oranges, they don't grow on the same tree, either. There are particulars that should be considered carefully when attempting to create a credible brand--or maintain an existing one--online. Attention to a few details can save time, money and headaches, not to mention achieve the goal of a strong brand and customer loyalty[11].

9. Conclusion

According to Breakenridge, the best brands have stood the test of time. They are the brands in our history that have been nurtured, supported and communicated effectively and have adapted over time to socio-technological changes. One hundred years from now, Coke, Pepsi, Heinz and Campbell's and many other well known brands will still capture a remembered feeling or positive experience (whatever the brand means to the user). These brands occupy a position in the consumer's mind and heart. They have overcome adversities and challenges. If brands such as Yahoo!, Amazon, MSN, Aol and eBay continue to brand with the constant speed and strategy that has been exhibited so far, one hundred years from now they too will maintain their powerful brand presences.

Undoubtedly, the Internet represents an opportunity and challenge for existing brands as well as start-ups. It is now evident that the ease of establishing a brand and the significance of branding in cyberspace is more difficult and more important than previously thought. Nevertheless, the justification for building a brand and the process and discipline in managing one have foundation in traditionally proven principles that have been tested in the brick and mortar environment over the long term. It is arguable that the existing brands are at an advantage in migrating to the internet because they already understand the power of brands, and have brands.

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