

# Chapter 1.5

## Branding on the Internet

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### INTRODUCTION

Marketers have regarded the Internet as the consummate direct-response medium. The ability to interact one-on-one with customers and the ability to track their every move allowed precision targeting never before possible. More recently it has become clear that the Internet can also be used in *branding* efforts. The ability to blend direct-response and branding efforts is the Internet's greatest benefit and its ultimate challenge to marketers.

This article reviews evidence for the branding impact of online marketing activities. It also looks at the key concepts of *interactivity* and *consumer experience* online. It then presents a construct we call interactive brand experience and describes the Internet-specific techniques that can be used to orchestrate brand experience on the Web. It concludes by summarizing the implications of using the Internet for brand development and discussing the way in which branding on the Internet is evolving.

### BACKGROUND

The most comprehensive and best-known study of branding effort on the Internet is the Cross Media Optimization Study of the Interactive Advertising Bureau. Begun in 2002, the study includes more than 30 leading brand marketers, and on- and off-line publishers as participants. Methodology builds on established off-line metrics by adding accepted online measures. Selected studies provide evidence that Internet advertising does affect various brand metrics.

- One of the earliest was conducted in conjunction with the introduction of Unilever's Dove Nutrium brand. The basic research design was to run print advertising only in week 1, add online in week 2, and television in week 3. The study concluded that keeping the total advertising budget constant but increasing online spending from 2 to 15% would produce an 8% increase in overall branding impact and 14% increase in pur-

- chase intent (<http://www.iab.net/xmos/pdf/xmosdatadove.pdf>).
- Another study focused on Kimberly-Clark's introduction of the Kleenex Soft Pack. The media allocation was 75% to television, 23% to print, and 2% to online. It found that online advertising reached the 42% of the target audience that is not reached or only lightly reached by television (<http://www.iab.net/xmos/pdf/xmosdatakleenex.pdf>).
  - A recent study for Volvo used the Sponsorship Effectiveness Index to compare the effectiveness of shared sponsorship (multiple ad placement on a single Web page) with exclusive sponsorship in which no other advertising is present on that particular page at that particular time. The study concluded that shared exposure resulted in no significant lift in brand inclusion in the consideration set, while exclusive sponsorship resulted in a 6.1% increase in brand inclusion in the consideration set ([http://www.iab.net/resources/iab\\_volvo.asp](http://www.iab.net/resources/iab_volvo.asp)).

Other organizations report similar results. The British marketing research firm Taylor Nelson Sofres Interactive conducted four separate studies during 2000 and 2001. The studies showed that online advertising generally did increase brand awareness, more for unfamiliar and less for familiar brands. However, higher levels of ad recall were not always correlated with higher levels of brand awareness (Hughes, 2002). A 2003 study by the agency Advertising.com monitored conversions from a credit card offer over a five-day period. They found that about 33% of the conversions occurred on the same day as ad exposure, but only 11% occurred within three hours. In another study, when viewer activity was monitored for 14 days after initial impression, as many as 85% of the conversions occurred more than one day after exposure (Advertising.com, 2003). This delayed impact is taken as evidence that brand development can and does occur online. There is also evidence

that brand development does not always take the same route. In recent years two complimentary models of brand development have emerged. While neither one was developed specifically for the Internet, both apply to the online as well as to the off-line environment.

## **Brand Equity**

Arguably the most widely accepted brand development model is Keller's Customer-Based Brand Equity Framework (Keller, 1998, pp. 68-83). It is composed of tools and objectives (brand elements, marketing programs, and secondary brand associations) that are mediated through knowledge effects (brand awareness and associations), with resulting enhancements of brand equity that include larger margins and greater brand loyalty. Keller expanded on the static model by providing a series of steps for creating a strong brand: establish the proper identity, create the appropriate brand meaning, elicit the right brand responses from customers, and forge strong relationships with them (Keller, 2001).

Ilfeld and Winer (2002) studied the development of brand equity on the Internet. They used a traditional hierarchical approach, adapted to take Internet differences into account. This allowed them to test three models: persuasive hierarchy (Think-Feel-Do), low-involvement (Think-Do-Feel), and no-involvement (Do-Think-Feel). Overall, the Think-Do-Feel model performed significantly better on all measures, suggesting that awareness is followed by site visitation, which, in turn, is followed by brand equity. They liken Web visitation (the dependent variable) to mature, frequently purchased product categories (low involvement) in which advertising is useful in building awareness and driving usage, and note that both online and off-line efforts are required.

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