



Chapter VII

Key Success Requirements for Online Brand Management

Subir Bandyopadhyay, Indiana University Northwest, USA

Rosemary Serjak, Graduate Student, University of Ottawa, Canada

Abstract

In recent years, many online brands (or e-brands) have emerged. For a brick-and-mortar brand to excel in the online environment, the brand manager must appreciate some of the key features of the Internet and make adjustments to the traditional brand management strategy. For example, the control of communication in case of online brand management lies with both the brand manager and the consumer, whereas from the traditional branding perspective, the control by and large rests with the brand manager only. We highlight the differences between traditional brand management and online brand management. We then focus on several key success factors in building a successful online brand, which we believe will help guide the brand manager through a series of steps leading to successful online branding.

Introduction

Consumer enthusiasm for online shopping is on the rise. This underlines the dichotomy of supply side and demand side of the online business. Today's online consumers demand more—they do not like limited selection, slow downloads, and inadequate navigation. The e-tailers who are unable to meet rising customer expectations are destined to fail. To operate successfully, e-tailers need a clear competitive advantage based on an attractive offering, a viable business model, and a dedicated brand management team. Success also depends on loyal customers who keep on buying products and, more importantly, bring in more loyal customers through positive word-of-mouth communication. Because the Internet is in a continuous dynamic state, firms need to follow a flexible e-brand management policy. Recent trends indicate that one viable business model could encompass both a physical brick-and-mortar presence and an Internet presence.

Marketing over the Internet implies a whole new dimension in which to engage, retain, and transact with the consumer. The future looks bright for the brand manager because the number of potential customers seems boundless. It was projected that (1) the number of computers connected to the Internet grew from 2.2 million to over 43 million worldwide between January 1994 and January 1999 and (2) the number of Internet users was over 160 million as of March 1999, with over 90% of these users having joined in the last 5 years (Hanson, 2000). A recent report showed that all of these projections have been greatly exceeded; as of December 2002, there are 580 million Internet users worldwide (Nielsen-NetRatings, 2003).

Today's most successful companies, along with companies that desire to meet with financial success, are quite aware of the power of the Internet (such as economy of scale, direct communication with the consumer across the globe, etc.). However, it is still considered a relatively new mechanism with respect to the opportunity for online brand development. Due to the relative newness of the Internet and its unknown potentials, many companies do not have a results-driven path toward developing a brand on the Internet. A preliminary step includes dissecting what brand management entails for the online marketer. Although a number of recent books (see, for example, Braunstein & Levin, 2000; Carpenter, 2000; Kania, 2000; Ries & Ries, 2000) and articles (see, for example, Aaker, 2002; McWilliam, 2000; Murphy, Raffa, & Mizerski, 2003; Sealy, 1999) have addressed the issue of e-branding, no one has articulated the critical differences between traditional and online brand management. For a brand manager, it is imperative to appreciate these differences. It is natural for a brand manager to apply his/her off-line brand experience to online branding. While this approach will work to some extent, it will fail to appreciate some of the unique features of the Internet. For example, the control of communication in case of online brand

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