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 purchase 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).

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 develop 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.

Brand Relationship

A different approach is taken by Fournier (1998). In a study of how consumers develop relationships with their brands, she advances the concept of brand relationship quality (BRQ). BRQ is a multidimensional construct composed of positive affective feelings (love/passion, self-connection), behavioral ties (interdependence, commitment), and cognitions (intimacy and brand partner quality). BRQ is mediated by a number of psychosocial filters with the outcome determining the stability and durability of the consumer/brand relationship.

Thorbjornsen, Supphellen, Nysveen, and Pedersen (2002) operationalized the BRQ dimensions and tested whether customer communities (person-to-person interaction) or personalized Web sites (machine-to-person interaction) were most effective in building BRQ for hypothetical products. They found that for less experienced consumers, customer communities were more effective. For more experienced users, personalized Web sites were more effective.

Fournier's model specifies an outcome—the quality of the relationship that consumers have with their brands.

It is an outcome predicated both on consumers' own life experiences and brand-related marketing actions. Marketers cannot control consumers' life experiences, however they can create and exercise control over customer experience. We therefore turn next to the concept of consumer experience.

Customer Experience

The concept of customer experience as a key to brand learning predates the Internet. Hock and Deighton (1989) characterize it as a type of learning, a four-stage information processing model. They postulate that consumers formulate working hypotheses for testing, are exposed to evidence about the product, encode information based on their own familiarity and motivations, and finally integrate new evidence into their existing belief structure. They distinguish between learning by description (most advertising falls into this category) and learning from experience, which is recognized as more effective.

Pine and Gilmore popularized the concept of customer experience, saying that "companies stage an experience whenever they engage customers, connecting with them in a personal, memorable way" (Pine & Gilmore, 1999, p. 3). The word "stage" is important and reflects Hoch and Deighton's (1989) contention that marketers can control the experiential learning of consumers.

Li, Daugherty, and Biocca (2001) argue that virtual experience is similar to indirect experience in that it is mediated. It is also similar to direct experience in that both are interactive. Their research found virtual experience to be an active psychological process. It was accompanied by three other characteristics: presence (which they define as a sense of being in another place generated by indirect experience), involvement, and enjoyment. They conclude that virtual experience consists of vivid, involving, active, and affective states that are closer to direct than to indirect experience. That supports the research by IAB and others that finds the Internet to be a useful channel for brand development. It also leads to a construct in which customer experience is the central focus of brand development on the Internet.

Creating Interactive Brand Experience

The concept of customer experience encompasses all the marketer-initiated activities that influence brand equity. Learning, or indirect experience, takes place in the traditional media. Direct experience is gained at the point of purchase and in actual use. Experience gained through interactive media, particularly the Internet, has characteristics of both direct and indirect experience. Figure 1 summarizes the relationship of the brand development

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