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A study on the internet as a medium of brand building

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Technology forms an essential component for the firms engaging in Relationship Marketing. This paper brings out the perfect blend that an organization can have between its' culture and technology. Further, it emphasizes the fact, that just employing the latest state-of - the - art - technology is not enough for an organization, it also has to be applied with the correct approach to serve the purpose for which it was employed. Finally, it brings out the fact that technology could be a great source of integration and may prove immensely useful to organizations believing and practicing the CRM.

There is no need to repeat the importance of Internet in today's business world. Researches and practical day-to-day experiences have showed its rate of growth. The speed of evolution of paper economy could be described as leisurely, if not painstakingly slow. In contrast, the speed of evolution of the electronic economy is extraordinarily fast and unprecedented (Bloor, 2000). And it has an all-embracing power. Its influence can be felt in all spheres of life.

The Internet has already been the most popular topic of the media (Miyazaki and Fernandez, 2001). More than half of the American adult population uses the Internet (Sefton, 2000). Ernst & Young (2000) reported that 79% of non-buyers planned to purchase things online. In short, there is an unprecedented growth everywhere.

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"The Internet is moving too fast to be measured. It's a new industry. Knowledge is scarce. Few people know what they want, what they would use, what they would be willing to pay for... until they are given a real world choice". (Ries and Ries 2000)

But selling is only a tiny fragment of marketing. While most researches focus on the success of Internet as a selling medium, it seems that the potential of the web as a brand-building tool is getting overlooked. As Peterson *et al.* (1997) comment that the Internet can provide an efficient medium for accessing, organising and communicating the Internet's interactivity potential and the opportunity to build relationships with individual information, and Chaffey (2000) focuses on consumers. Similarly, the level of customer service and personalisation provided by different on-line companies is found to vary widely (Hewson and Coles, 2001).

Public relations practitioners state the Internet represents a tremendous opportunity for companies to build relationships with their publics and claim they are more capable to design effective content for the Internet (Krauss 1999). Regardless of the perspective of advertising people and Public Relation professionals, there has been little debate between them concerning the significance of the Internet, with both agreeing that the medium is continuing to change and will strongly impact consumers in the future. In fact, studies have shown that preparing students to work with and understand the Internet is a critical industry issue that is presently faced by the advertising education (Murphy, Burns, Leckenby, Morrison and Richards 2001).

The significance of the Internet has been found to be so important and overwhelming that, scholars have questioned whether advertising and public relations curricula in different educational institutions are keeping pace with the need of the time (Gustafson and Thomsen 1996; Rust and Oliver 1994).

In fact, researches and debates have reached the next stage in foreign countries when we in India still doubt about the importance and value of this medium.

Internet is not just a selling place of goods and services only, it has the potential of a brand-building medium and it can be used for brand building purposes too. This paper shows how companies (e.g. Cars, Perfumes etc.) are coming to the net to build their brands. Internet is now used to create a positive awareness about the products and services. This paper highlights different successful techniques of brand building that are coming in to vogue with the help of case studies. The following case studies shall clearly illustrate how wonderfully the multinational companies are using the Internet to enhance the brand value of their products.

FORD.COM

Unlike the popular belief, that banner advertisement is only suited for impulse purchases and it is more avoided than clicked; automobile marketers have become the leading users of "Rich Media" advertising technologies on the net.

("Rich Media" refers to the use of generic and proprietary technologies that support the creation and display of browser visual effects including instantly playing video and audio; complex animations; flying or floating animations that can hover over an existing Web page; structures that have a three-dimensional game like essence; and other dramatic features with high visual appeal. Most Rich-Media effects are best viewed on broadband connections and many require the download and continual upgrading of special plug-in software.)

During the second quarter of 2002 online advertisers from automobile industry used 10 times more Rich Media applications than any other marketers. Advertisement from the auto industry takes the largest share of the pie with 37.4%, while study has shown that the average use of Rich Media by other marketer categories was 3.9% (Elkin 2002).

The automobile industry includes carmakers, online auto sellers, such as Carpoint and AutoTrader.com, and other online dealerships used Rich Media advertising formats more than any of the 12 categories surveyed. [The other categories were business-to-business, consumer package goods, entertainment, financial services, hardware and electronics, health, public services, retail goods and services, software, telecom, travel and Web media (publishers and content properties)].

Of all, automobile companies Ford Motor Co. used Rich Media advertisement the most, and its "Expedition" sport utility vehicle was the subject of more Rich Media advertising than any other automobile product.

The question lies why are people not avoiding these online advertisements? Why are they flocking to it? The answer is what we got from a survey of people who have bought jewelery and other such costly items from the Internet. 48% people of our survey say that there is a pressure from the salesman whenever they go into a shop to see jewelery. The salesman wants them to buy the product. One cannot just see the items and then leave. The salesman in the counter wants from them to know what they are there to purchase and what is the budget, there is hardly any chance to see what you like in the entire product category. But that can precisely be done when one is in an online shop. One can keep on browsing all the product categories, make his or her own wish list and then leave the shop or purchase if one feels like.

Next, we take up the case of polo.com, to illustrate the fact that brand building is

not encased only within the automobile industry. Like the web sites of Ford and Volvo, polo.com has built their web site to have a luxurious-brand experience that Polo is.

POLO.COM

Times have been tough for almost all types of Internet retailers, including luxury brands such as Boo.com, Ashford.com, Bluenile.com and Miadora.com. But that has not stopped Neiman Marcus, Saks Fifth Avenue and LVMH Mo't, Hennessy Louis Vuitton from starting their websites. The biggest challenge facing these luxury retailers, however, is getting their fashion-conscious customers to shop online more frequently. The biggest problem for the customer is to touch the products he wants to buy. Even if the customer starts shopping online they have to do so at the cost of offline counters, which in turn may lead to channel conflict.

But Polo has taken a different route altogether. Its website is not about selling only but about an experience of the luxury brand that Polo is.

The first website from Ralph Lauren Media was a joint venture of Polo and NBC. Ralph Lauren the maker of the brand Polo has been creating an atmosphere for its product not only in their advertisements but also in their products since the inception that is about 33 years ago. Indeed, polo.com has given the world a new gateway to the lifestyle of old money elegance, which of course was created in their advertisements too. It is with this branding proposition the house of Polo intends to sell its high-end apparel online.

The online business for Polo is a very strategic decision. And unlike other apparel companies they have taken special care not to pave the way for channel conflict. polo.com is not typically a website for selling and generating revenue. It is more of an effort to build brands. And that is what polo.com is all about. Polo is not just dressing material; Polo stands for fashion statements. And that is why a link to Polo "weekend wear," for example, summons forth not only pictures, descriptions, and pricing information about caps and overcoats, but photos of Jamie Wyeth paintings and a story about privately owned submarines costing \$78 million each. It associates with other such high end luxurious products.

Many of its tools actually take the customer away from the products they are trying to buy. Visitors who click on the Ultimate Indulgences button within the site's Cashmere section, for example, can find themselves lost in a seemingly endless gallery of photos and snippets about awfully expensive merchandise. The whole site is meant to be a brand experience.

Another important feature of a 360-degree tour of a virtual store is that it allows visitors to click on whatever they want to buy, from expensive dresses to vintage cufflinks. polo.com will even arrange for travel to two exquisite hangouts-Little

Palm, a Florida island resort and 'The Point', a former Rockefeller estate in New York's Adirondack mountains. "If someone is going to buy a \$300 cashmere sweater online, they want to feel they are being taken care of, that they can own a piece of the lifestyle from their own homes," says David Lauren, Ralph's 29-year-old son and polo.com's chief creative and marketing officer. The shopping experience is more important than the mere product.

Though shoppers may not have always been in control of their experience at Polo.com, the creator of the site seems to recognize the importance of quality customer-service. So, the site features live chat, highlights its toll-free phone number on every page, and allows shoppers to see the contents of their shopping carts at all times. Visitors also can view all of their past purchases. Perhaps the most important of all is that the customers can return merchandise to Polo.com directly with the site, emailing confirmation of its receipt of the items.

A visit to the polo.com is a rich experience of luxury and opulence. It is not all about product sizes and cheap advertisement slogans. The site creates an aura of richness, opulence and extravagance.

Next we take up the case study of Volvo. It has utilized the capacity of the Internet to build relationship with its customers and to promote their cars.

VOLVO

In 2003 the Volvo Cars of USA has signed a 15-months contract with Microsoft Corporation's MSN.com to launch a widespread set of online marketing tools that includes digital garage, virtual showroom and user-controlled 3-D images of different Volvo models.

MSN.com has similar contracts with Toyota and Nissan also. Volvo also has got an exclusive interactive media relationship with AOL.com. This new promotion is designed to facilitate Volvo to qualify and acquire customers online.

Volvo has augmented its integrated online activities, as the brand is trying to attract a broader and younger customer base. The customers shall get the real feel of the brand and of the cars. The company is going to get a chance to educate and attract the visitors with the positive features of a particular model or of the corporate brand in general.

According to the contract signed, MSN.com will make for Volvo, the Digital Garage, a specialized web address where current and future Volvo owners and enthusiasts can come to know about models, services and promotions.

Virtual Showroom

Volvo is also going to get a virtual showroom on MSN Carpoint, build with Flash

technology. MSN has enabled viewers to see models from all possible angles, a total 360 degrees view. The deal includes a co-branded Internet access offer in which participating Volvo dealers will offer three months of free MSN Internet access to customers.

The company believes that the deal with MSN would be the key to the launch of the Volvo-XC90 that was unveiled in December 2001. North America is a key market for the SUV (Small Utility Vehicle). Volvo said North America is expected to account for about 65% of the XC90's total global sales.

What really matters is that the company is educating a customer who is interested in the product. Even if the customer is not a buyer then also his interest in the brand and his knowledge of the positive features of the brand will help him to generate word of mouth, which is no doubt a great help for this high purchase items.

END NOTES:

So, after all these online marketing efforts what is really happening in the real market? Many traditional thinkers have already reached the conclusion that Internet will die out very soon and all the efforts of using this medium more effectively will sooner or later erode away.

To validate what has already been discussed above we give the following information as reported by www.nau.com.

New researches from Forrester and comScore indicate that visitors to car sites behave differently from visitors to other e-commerce sites. Even serious car buyers, for example, tend not to visit car sites repeatedly. Sixty-four percent of all buyers complete their online research in five sessions or fewer. A quarter buys a car within three months of visiting a car site.

Forrester says there are three types of visitors to car websites: explorers, off-roaders, and cruisers.

Explorers are the smallest group, but almost half buy their new vehicle within two months of visiting a car site. They need a "convenient, explicit buying process". Off-roaders tend to do a lot of research online and are very likely to purchase in an offline showroom.

Cruisers visit car sites frequently but only 15 percent buy a car in the short term. As they are people with strong interest in cars, they heavily influence the car purchases of others so they still constitute important visitors.

Another new study from Vividence published by nau.com in April 10, 2002 indicates that a positive experience at an automotive site increases the likelihood that a consumer will buy a car from that automaker.

According to the study, which looked at automotive sites in the US, Japan and Europe, over 40 percent of visitors who have a satisfying experience at a site become more likely to make a purchase from an automaker.

However, 31 percent of car buyers are less likely to purchase a vehicle from a manufacturer if they have a negative experience while visiting an automotive site.

The most important factors influencing customer satisfaction at online sites according to survey participants are ease of use/navigation, look and feel, layout and organization.

Around 69 percent use the sites to view photos, videos and 360-degree views of vehicles, while 64 percent use them to customize vehicles.

Internet and the web world have reached into the very fabric of our life. There is no point in ignoring it anymore. And it also should be remembered that Internet is not just a selling medium, it has many innovating capabilities; the sooner we explore these uncharted areas of Internet and know it to the fullest the better it is for us.

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