



E-BRANDING OF SERVICES: CHALLENGES AND OPPORTUNITIES

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Abstract:

Branding plays a special role in service companies because strong brands increase customers' trust of the invisible purchase. Strong brands enable customers to better visualise and understand intangible products. They reduce customers' perceived monetary, social, or safety in buying services, which are difficult to evaluate prior to purchase. A new dimension is added to this strategy when branding of services is done online, i.e., e-branding. Since e-branding is a new area, this paper will explore the challenges that organisations are facing while doing so, and also highlight the opportunities in this dimension.

Keywords: Branding, E-brand, Services, E-Branding, Website, Email, Challenges, Opportunities.

Introduction to branding

Organisational success in today's era is defined by 'what' the organisation does (i.e. what product or services it offers) and most importantly 'who' the organisation is (Keller and Aaker 1998; Keller and Richey 2006). This highlights the importance of building a successful brand in a highly competitive and matured market scenario. Branding is one of the biggest challenges in corporate and marketing strategies (Opoku, Abratt, and Pitt 2006).

According to American Marketing Association, a brand is 'a name, term, sign, symbol, or design, or combination of these, intended to identify the goods and services of one seller or group of sellers and to differentiate them from competitors'. A product becomes a brand when some dimensions are added to it to differentiate the product in some way from other similar products. The dimensions can be rational, functional and/or tangible, or they can be emotional, symbolic, and /or intangible. In the former case the dimensions can be related to the performance of the brand and in the latter case, related to what brand represents (Kotler and Keller 2005).

Top 10 most trusted products and service brands

| RANK 2024 | PRODUCT BRAND | SERVICE BRAND |
|------------------|----------------------|----------------------|
| 1 | Dell | Amazon |
| 2 | Honda | Netflix |
| 3 | Amazon | Nintendo |
| 4 | Titan | Paypal |
| 5 | Sony | Intel |
| 6 | Xiaomi | Microsoft |
| 7 | Bata | Samsung |
| 8 | Nike | Sony |
| 9 | LIC | Honda |
| 10 | Samsung | BMW |

Source: statista, available on <https://www.statista.com/statistics/1490128/india-most-trusted-brands/>

Infegy, available on <https://www.infegy.com/blog/the-worlds-most-trusted-brands>

Above table shows the most trusted products and services brands for the year 2024.

| RANK 2010 | PRODUCT BRAND | SERVICE BRAND |
|------------------|----------------------|----------------------|
| 1 | Nokia mobile phones | Vodafone |
| 2 | Colgate | BSNL |
| 3 | Lux | State Bank of India |
| 4 | Dettol | LIC |
| 5 | Britannia | Tata Indicom |
| 6 | Lifebuoy | Big Bazaar |

| | | |
|----|-----------------|---------------------|
| 7 | Clinic Plus | ICICI Bank |
| 8 | Pond's | Bank Of India |
| 9 | Fair and Lovely | Hindustan Petroleum |
| 10 | Pepsodent | Bharti Airtel |

Source: Brand Equity, 2010

These brand rankings are the result of a survey conducted by Brand Equity and the Nielsen Company, and represent the brands that consumers are most familiar with and which provide 'quality and reassurance' to the consumers. The brand attributes considered for this measurement are as follows:

1. Always maintain a high level of quality.
2. Is worth the price it commands
3. Is a brand I would surely consider if i have to buy the product
4. Has been a popular band for many years
5. Has something that no other brand has
6. Evokes a feeling of confidence and pride among its users
7. Is a very special brand with unique feelings associated with it

New Era: E-Branding

The recent year has seen the rise of new media - Internet. More and more companies are now going online to tap a wider audience at a minimal cost. The convenience and ease to use Internet make it an interactive media tool for both buyers and sellers. The online strategy of an organisation is, therefore, equally important in building brand equity and cannot be ignored no matter what. The World Wide Web has opened a set of new opportunities. From the traditional brick and mortar firms, we now have click and mortar firms, i.e., firms are these days present online besides the physical store that you can actually visit, for example, Dell Computers, Nokia Store Online, etc. There are also organisations that have a presence only in the virtual world, i.e., they are present only online and do not have physical stores, for example, ebay.com, myantra.com etc.

The online media enable firms to reach a wide variety of cross-section of global customer base. Organisations have the opportunity to be present online, do business, service customers, and communicate with the target audience effectively and efficiently. With the global internet penetration still at 26.6 per cent and the penetration in India at 7 per cent (Internet World Stats 2010), the media is still in its infancy and the list of opportunities it offers are numerous.

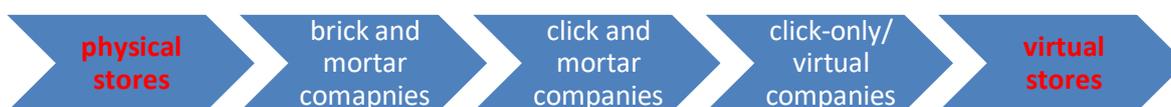


Figure: progression from physical to virtual stores

The Internet has not only changed the notions of 'space' and 'time' in the world of communication, but also those of 'public' and 'private'. This is one of the reasons that make it so interesting to study how representations, processes of influencing and social interaction between individuals, groups, institutions and companies have been changed by communication via the Internet. Apart from internet, there are mobile phones, dedicated kiosks, etc., that enable the use of digital commerce to help in building the brand.

Just like traditional branding strategy, e-branding is helpful in creating a specific brand image. However, it is different because of the use of tools and opportunities offered by the internet (Grzesiak, 2015). The distinction between traditional branding and e-branding can be highlighted by understanding following differentiating factors:

- **Interactivity:** Online communication done for the purpose of branding facilitates two way communications. Feedbacks and disputes are handled and solutions are provided online quickly which enables high user rating. Companies are able to provide required information quickly and consumers are up to dated with most recent information about the brand.
- **Speed:** E-branding is quicker in terms of reaching to customers than traditional branding. All promotion mix elements are time taking in terms of generating attitude with regard to any marketing campaign. Any information provided online for the purpose of branding (a new post, newsletter, and blog) reaches audience faster than any advertising, public relations and other forms of marketing activities.
- **Presence:** The life of the branding message by the marketer on internet is much more than traditional form of branding. The presence of the message can be felt from any part of the world. Even the cost of online presence is relatively low as compared to traditional form of branding. It is more stable too. Also, it is observed that as internet users are increasing, therefore, prospect audience and consumers are also increasing rapidly.

The internet helps consumers to come together on social media and form a community for the brand.

This community acts as a brand support and acts as a care mechanism for their loyal customers.

E-Business Strategy for Service Industry

Branding plays a special role in service companies because strong brands increase customers' trust of the invisible purchase. Strong brands enable customers to better visualise and understand intangible products. They reduce customers' perceived monetary, social, or safety in buying services, which are difficult to evaluate prior to purchase. Strong brands are the surrogates when the company offers no fabric to touch, no trousers to try on, no water melons or apples to scrutinise, no automobiles to test drive (Berry 2000).

The World Wide Web, born from the Internet as a tool for communication whose purpose was, at first, of a military nature, then of a mainly scientific one, has rapidly become a marketing tool and one for competition on a commercial level. Under this perspective, the web has become a vehicle to that no longer allows only individuals or groups to convey their identity but, rather, that allows institutions, businesses and organisations to do the same. This has generated new forms and methods of communication specifically created for this new media that have taken on the name of web marketing or more precisely E-Business strategy.

E-business is the use of electronic or digital media to reach out and connect with consumers. It includes buying and selling of goods and services, servicing customers, collaborating with business partners, and conducting electronic transactions within an organisation (Turban and King, 2009). With 471 million mobile customers in India (Ray 2009) already, a number of Indians are experiencing the Internet first on their mobile devices (Bartz 2009). This has helped in the growth of both internet marketing and mobile commerce. There are many activities which can be done online to reach customers and to overcome the challenges. These are as follows:

- *Create a website*: A significant transformation has happened from traditional brick and mortar firms to 'click and mortar firms'. Organisations create their website online, by which they reach to their target customers. They use these websites to communicate with their customers and pass information about their product and product lines, promotions, nearest outlets, after-sales service, etc.
- *Place ads online*: Internet as a medium is very helpful in communicating and promoting about the brand to the customers. These online ads can be in the form of Text ads, Display ads, Cost Per Impression, Cost Per Click etc.
- *Using e-mail*: Database is used by the organisation to customers to inform them about the promotional offers time to time. Organisations at the same time, also follow 'permission based e-mail marketing' wherein they ask customers that whether they take permission from the customers for sending newsletter, promotion letters, etc. For example, Future Bazaar at the same time of registering customers seeks their permission to send newsletters and other similar information.
- *Participating in online social networks*: The come-up of number of independent online communities like facebook, twitter, linkedin, orkut, etc. provide opportunity for the companies to interact through a two way mode which we call by the name of Web 2.0. Companies create their own communities on these social sites. For example, nestle has a nestle kitchen online, where customers can become members and avail benefits like discounts, coupons, receipes, etc. at the same time they can have a kitchen on mobile, wherein you can download the application on your mobile phone.

E-Branding Challenges:

Since services are not physical in nature, marketer has to give his customer a feel of assurance. There a number of challenges that overcomes while we do the e-branding of services. These challenges are:

- Making sure that they have a presence where their current and future customers are and moving forward with trends faster than ever before.
- With the explosion of so much personal digital communication—social networks, IM platforms, blogs, podcasts, virtual worlds, mobile, etc.—brands are facing the prospect of too many channels.

Other Challenges that are faced are as follows:

- Involvement of technology at high level
- Intelligent and educated customers
- Growth of private labels
- Brand proliferation
- Increasing trade power
- Media fragmentation and rise of media
- Increasing cost of product introduction and support
- Increasing job turnover.

E-Branding Opportunities:

The global networked economy continues to grow unabated. Through the development of a framework for e-branding, companies can leverage this economy, the latest technologies and new channels of service delivery, thereby sustaining their competitive advantage. E-branding requires companies to transform their traditional branding techniques and increase the frequency of change to their brands. This is as a result of the increasing complexities of technology and a gradual reduction of the global digital divide. The exponential growth of mobile devices presents challenges to corporations as branding becomes more problematic and hardware becomes smaller. Strong and successful brands reinforce and enhance effectiveness of the online brand strategy and lead to success on the internet (Ibeh et al. 2005).

- Integration of offline and online brand experience.
- User-friendly sites
- Interactive chats
- Lively online communities
- Domain names
- Brand Spiralling – companies may use traditional media to promote their online websites
- Mobile marketing
- Positioning of brand in such a way that it attracts consumer
- Global reach
- Expose the brand to as many websites
- Include co-branding and affiliation with other online brands

E-business, through the internet and mobile phones, can reach the relevant target audience at a much lower cost than other modes of communication. E-business help organisations to achieve a shift towards the customers by providing information where and when the customers want it. The 24/7 nature of the online media gives an opportunity to stay connected with each other.

Conclusion:

As a result of the increasing complexities of technology and a gradual reduction of the global digital divide. The exponential growth of mobile devices presents challenges to corporations as branding becomes more problematic and hardware becomes smaller. However, with these new challenges come new opportunities, with emerging technologies, to appeal to a wider audience and utilize new methods of e-branding. Moreover, a major factor in determining the success of an e-brand is in the ability to make branding useful for consumers and ideally integrate the brand into both the software and hardware technology. This paper has provided a framework within which to develop and continue to develop an e-brand. E-branding provides exciting opportunities that companies must embrace and leverage if they are to maintain industry leadership.

Internet especially social media has become the primary source of knowledge for many consumers. Consumers get information about the brands and products for internet. Recommendations, opinions, testimonials create a greater and positive impact on the consumers mind and influence their buying decision process too. E-branding creates a strong brand presence of the products and services and thus, stimulates positive opinion about the brand.

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