Factors Affecting the Success of Online Branding: An Empirical Study

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ABSTRACT

Online branding has become a crucial part of companies’ activity since the mid-90s, when internet expansion began. As internet activity starts playing bigger and greater roles in sales and marketing communications, online branding becomes more important. However, the challenge for organisations today is to advance their online business activities. To address this challenge, organisations need to understand the critical success factors for building an online brand. This paper discusses this issue proposes 9 critical factors classified into two categories and validated empirically through a sample of 150 university students. The significance, importance, and implications for each category are discussed and then recommendations are made.

Keywords: Business Activities, Critical Success Factors, Internet Marketing, Online Branding, Online Marketing

INTRODUCTION

Internet Marketing (IM) is heralded by some as the new paradigm of marketing (see, for example, Hoffman et al., 1999; Eid & Trueman, 2002, 2004; Eid et al., 2006). Eid and Trueman (2002) indicate that much of the current literature considers Internet marketing to be a completely new phenomenon. Hence, there has been little attempt to integrate the study of its impacts into existing knowledge. Calls for more research into the Internet and online branding remain unheeded. A small number of studies do relate to the factors that affect the success of online branding. The dominant focus of these studies is on the way the Internet is used, drivers and barriers to its use and how these might be overcome (Eid & Elbeltagi, 2005; Hamill & Gregory, 1997; Morgan-Thomas & Bridgewater, 2004; Eid et al., 2006).

Avlonitis and Karayannis (2000), Chiang et al. (2008), Christodoulides (2006), Eid and Trueman (2004), Porter (2001), and Smith (2008) conducted in-depth studies to gain an understanding of those factors which enhance the online branding. They conclude that organisations need to understand how to identify the critical factors that affect the implementation...
process and address them effectively to reduce risk and realise potential of Internet marketing. However, although by far most online branding has been researched before in a number of academic publications, research has been implemented from customer point of view and focused on the trust and attitudinal factors. There is a very little research done examining factors behind the success of online brands. Most research on Internet marketing has been descriptive, theoretical or speculative. There are few solid research models to guide future research or application in this area. There have been a number of attempts to identify the full Critical Success Factors (CSFs) for online branding (Avlonitis & Karayanni, 2000; Chiang et al., 2008; Christodoulides, 2006; Eid & Trueman, 2004; Porter, 2001; Smith, 2008); however, few of them can provide strong theoretical for the existence of these CSFs. On the other hand, some authors and practitioners present a plethora of critical factors based on individual experiences (e.g., Chiang et al., 2008; Christodoulides, 2006). Others have addressed one main aspect of online brand. For instance, Chiang et al. (2008) covers the meaningful, clearness, and trust feature of the online brand, whereas Furnell and Karweni (1999) address security and successful relationship aspects, whereas Clauser (2001) focuses only on effective order processing, fulfillment and service. Hence, a practical full-scale research conducted in a highly scientific manner is required to understand and identify the full CSFs for the online branding.

RESEARCH OBJECTIVES

The main objective of this paper is twofold:

1. Identify CSFs for online branding and,
2. Examine how these CSFs have been operationalised in real organisational settings.

To this end, various articles, empirical research, and secondary case studies on Internet marketing, online branding, e-commerce and information technology were studied. The findings of these studies identified various factors that have a direct impact on successful implementation of the online branding.

LITERATURE REVIEW AND THEORY DEVELOPMENT

Branding

A brand is a name, term, design, symbol or any other feature that identifies one seller’s good or service as distinct from those of other sellers. It may identify one item, a family of items or all items of that seller. A brand name is that part of a brand that can be spoken-including letters, words and numbers—such as Coca-Cola. A brand name is often a product’s only distinguishing characteristic. Without the brand name, a company could not identify its products (Dibb et al., 2006). Brand is a set of mental associations, held by the consumer, which add to the perceived value of a product or service (Keller, 2008).

The element of a brand that is not made up of words but is often a symbol or design is called a brand mark. A trademark is a legal designation indicating that the owner has exclusive use of a brand or a part of a brand, and that others are prohibited by law from using it. To protect a brand name or brand mark, a company must register it as a trademark with the appropriate patenting office. A trade name is the full and legal name of an organization, such as Ford Motor Company rather than the name of a specific product (Kotler, 2003).

Brand insistence is the degree of brand loyalty in which a customer strongly prefers a specific brand, will accept no substitute and is willing to spend a great deal of time and effort to acquire that brand. Brand insistence is the strongest degree of brand loyalty.

The Role of Branding

Branding provides benefits for both buyers and sellers. Brands help buyers identify specific products that they do and do not like, a process that in turn facilitates the purchase of
The Effect of the Internet Use on Customer Relations and Targeting Activities: An Empirical Study of UK Companies
www.igi-global.com/article/effect-internet-use-customer-relations/69977?camid=4v1a

Radical Transparency and Brand Equity as Key Factors for Successful Business Strategy
www.igi-global.com/chapter/radical-transparency-and-brand-equity-as-key-factors-for-successful-business-strategy/195156?camid=4v1a