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Role of brand strategies in e-commerce sector: Customer perspective

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Abstract

Branding Strategies play a vital role in the success of E-Commerce brands. The core aim of the study is to understand the role played by strategies in E-Commerce brands and the change that strategies have brought to the brands after application. It also aims to analyse and validate the survey and bring to light the contribution of strategies and the vital role played for the success of the brands. This study also highlights some of the best strategies which have changed the entire image of brands from customer point of view. The results of the research are expected to show the strategic brand management process of various E-Commerce brands. The researcher considered 5 categories: clothing, lingerie, lifestyle & home products, accessories and cosmetics. A survey was carried out on 50 respondents within the age group of 18 to 25 years from Mumbai. Their thoughts, experiences, preferences were evaluated through this survey in relation to online websites of the above categories. The results were discussed and on the whole it was concluded that Strategic Management in branding is the key to reach more and more consumers effectively and quicker. A Brand with unique strategies can position itself faster in the market with a good business value.

Keywords: Brand strategies, online, e-commerce, brand management

1. Introduction

Brand Management is an important aspect of Marketing, which utilizes certain techniques to boost the value of the brand's product or service. In that case strategies are very much essential in order to build devoted customers and set the targets high in terms of profit and brand development. Strategies in brands are action plans that are used to differentiate products and services and to identify the competitors. Strategies help in identifying the image that a brand is trying to create for its customers. Strategies can be product based, price based or based on the channel of distribution. Branding strategy and Marketing strategy are two directly related concepts which are yet different and often confused with each other. Brand is the holistic reputation of the company, product or service which consist of many parts one of which is marketing. The Brand strategy should clearly define the brand's purpose, vision, position, value and customers. It should focus on the big picture, but include an actionable mission that aligns with the short, mid and long-term business goals. A well-defined, focused brand strategy will position the brand for long term growth clearly defining the position in the market and the value it provides to new and existing customers. It also creates a consistent message increasing the brand awareness and customer trust and establishes concrete guidelines for better decision making, budget planning and time management. It helps in identifying the opportunities and prioritizing initiatives, optimizing time and financial investments.

"Brand strategy is the cornerstone of the overall business plan. It is the road map guiding to the destination and it only changes if the destination changes".

Marketing strategy on the other hand is a function of the brand strategy and overarching business plan. It outlines the tactics that should be used to communicate the key message of the brand its ideal customers. This can include content strategy, digital marketing, campaign development, social strategy, advertising, PR, retail marketing, etc. Marketing strategy is the vehicle that delivers the brand's tailored customer facing brand message. Marketing strategies can change based on customer data, success of campaigns, technology, trend, budget, etc.

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Every brand needs a strategy which is something to outline the shared goals of the company. A well outlined strategy is essential for the success and sustainability of any venture. Without a strategy a brand can lack or loose direction, efficiency and profitability. Strategies create a measure for success, increase adaptability, drives decisions and give direction. Through strategies main competitors as well as the target market is identified. This study will explain the strategies of E-Commerce brands, their achievements by applying strategies and their positioning through strategies. It also explains how strategies have helped brands to create their desired image in the minds of customers. The Strategic Brand Management process involves the design and implementation of marketing programs and activities to build, measure and manage brand equity. The process has four main steps which are as follows

- Identifying and developing brand plans
- Designing and implementing brand marketing programs
- Measuring and interpreting brand performance
- Growing and sustaining brand equity

Identifying and developing brand plans is to look into the point of parity and point of difference with the competitors. The core brand associations and brand mantra are identified. Brand Marketing Programs are designed by mixing and matching brand elements, Integrating brand marketing activities and by leveraging secondary associations. Measuring and interpreting the brand’s performance is done though brand audits, brand tracking, brand value chain and by framing a brand equity management system. Branding creates a trust and build credibility because people are more likely to purchase from a business that appears polished and legitimate. Branding sets the brand apart from the competitors, in today’s global market it is critical to stand apart from the crowd.

2. Methodology

The type of research used in this study is quantitative research. Respondents are chosen and are given a questionnaire for collecting statistical representation of the findings with the help of the responses. A questionnaire was prepared considering different categories in fashion and popular websites from each of the categories were selected and a set of questions were arranged together for a survey to identify the popularity, highlights and features of the brand websites and thereby study the strategies of the brands in detail. A brief history about the websites was also reviewed for knowledge on the position, annual revenue and the brand’s strategies.

2.1 Sampling Method

The research sampling method used in this study is random sampling to obtain a more scientific result that could be used to represent the entirety of the population.

5 categories were considered

- Clothing
- Accessories
- Lifestyle and Home products
- Cosmetics
- Lingerie

The questions were framed in such a way that the brand image and reputation along with its highlighted features that make them stand apart comes to light.

2.2 Respondents

All of the respondents for this research were from Mumbai and were females aged between 18 to 25. The Respondents were randomly selected and some of which were referrals of respondents themselves. But the ultimate aim was to get responses from samples who frequently shop online and that criteria was well taken care of by sending the links to samples who shop at the most online. The responses were good and came out with a clarity to understand the findings of the research. The survey had 50 responses well distributed among the preferred age group.

3. Results and Discussion

The survey results are as follows:



Fig 1: Frequency in online shopping

Before deciding upon strategies, it is good to know the frequency of online shopping done by the samples. Most of them are found to be occasional online shoppers.



Fig 2: Purchase in a single transaction

The number of purchases done in a single transaction is a valid area to look into because it explains whether shopping depends on need or it is taken away by attraction.



Fig 3: Most shopped category

More than half of the samples are found to be interested in clothing than other categories. Next to clothing Lifestyle and Home products are in demand in the current market. 80% respondents said that they were mostly satisfied with online shopping. Satisfaction in online shopping is the reason for the rapid growth and sustainability of online websites today.

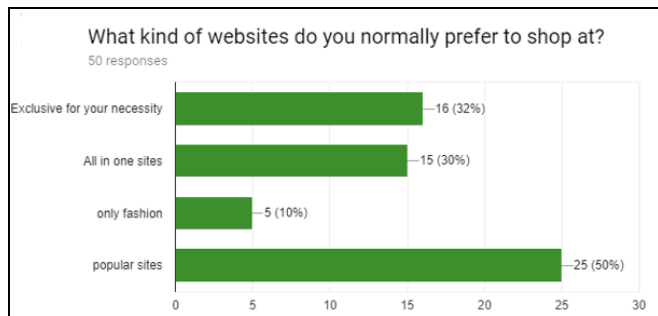


Fig 4: Website preferences

Website preferences for online shopping are completely taken away by the popular sites in the market but still 32% shops exclusive for necessity which shows that interest varies with samples. 64% respondents said that Myntra was their favourite website to shop, whereas Ajio, Jabong, Koovs received 18%, 10% & 8% votes. In spite of today's competitors Myntra has managed to get stand apart in fashion clothing because Myntra's value proposition revolves around giving consumers the power and ease of purchasing fashion and lifestyle products online. Offerings such as the largest in-season product catalogue, 100% authentic products, cash on delivery and 30 day return policy make Myntra, the preferred shopping destination in the country. Top wear was found to be the most shopped (46% respondents) category from the clothing websites followed by dresses and jumpsuits (28%) and ethnic wear (12%), whereas bottoms received the least.



Fig 5: Most preferred Accessory website

Club Factory even though being a new comer in the market has very well established its brand name through some unique strategies. It uses propriety big data technology and compares prices from multiple manufacturers in real time to present the customer with the lowest price as well as it offers products ranging from apparel to accessories on a single mobile application, enabling customers to experience stress-free and inexpensive shopping by eliminating middleman.

Best Lifestyle and Home products website

78% respondents said that Amazon is the best website for lifestyle & home products, whereas 16% respondents said Flipkart. Providing each and every necessity and satisfying each and every need of the customer makes Amazon the best website in the category of Lifestyle and Home products. After years of expertise in E-Commerce Amazon is now a huge brand in the minds of consumers. It has a mixture of well planned strategies in the market.

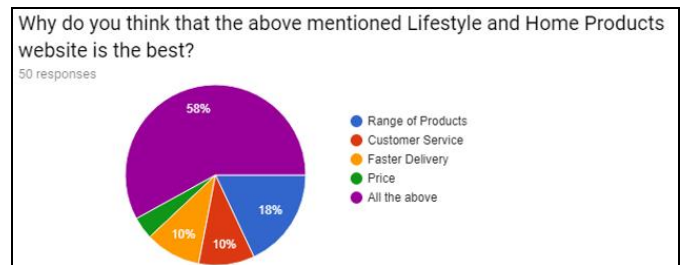


Fig 6: Best Feature of the Lifestyle and Home product website

As mentioned before Amazon always satisfies it's customer with some or the other product due to the wide range and proper service adds clarity to each and every delivery to make the shopping experience better.

Most preferred website for cosmetics

Nykaa has topped the cosmetic category since it has become a preferred destination for online beauty and wellness products by 72% respondents, whereas 16% respondents said MAC & 8% respondents said NYX. Nykaa makes sure that it's customers keep coming back for the brand to grow and sustain. Nykaa believes that growth completely depends on customer relationship.

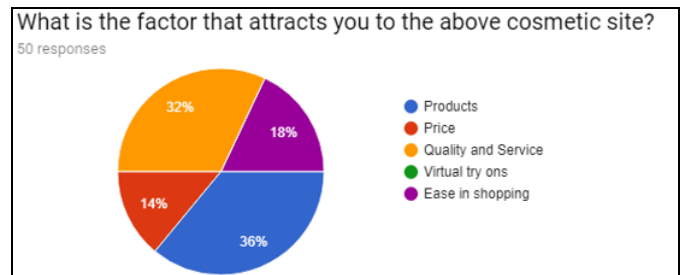


Fig 7: Factor that attracts to the cosmetic website

Even though it is clear all the factors play a vital role in attracting consumers it is products mainly that sets the position of the brand. Product constitutes the primary brand image in people's minds.

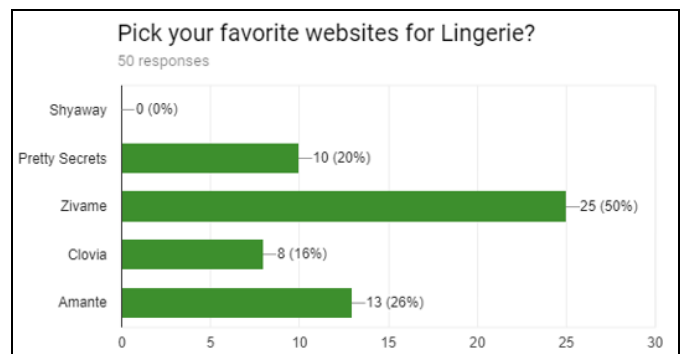


Fig 8: Favourite websites for Lingerie

Zivame has become a noteworthy website in the category of Lingerie. It has raised \$48 million in four years, has hit a chord with the growing population of economically independent Indian women who want to pamper themselves. The site has 2.5 million unique visitors a month and sells two bras a minute which is only possible with a very wide product range and varieties. Online and social networking strategies gave a good start to zivame.

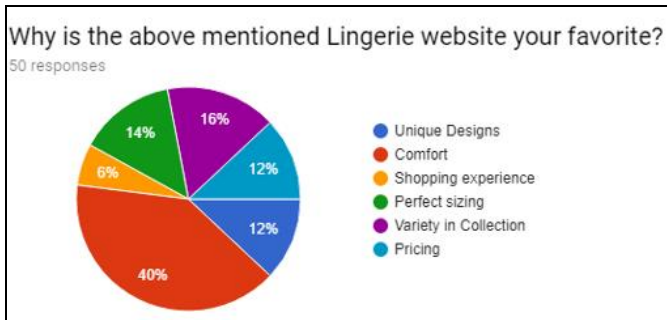


Fig 9: Best feature in Lingerie website

When it comes to inner garments, as expected comfort has turned out to be more important exactly which Zivame has given to its customers.

Advantage of shopping online

32% respondents stated that the advantage of shopping online is the availability of more choices and also because it is possible to shop at anywhere & at anytime. 20% respondents prefer to shop online because it is budget friendly & 16% prefer because of its home delivery services. Online shopping has turned out to be more simpler and easier way to shop with a lot more product choices than in stores. It has given the shopping experience the next level suiting all budgets and delivery at the consumer's door step which is equally appreciated feature in inline shopping today.

4. Conclusion

After a thorough study on various strategies in brand management, it is clear how important a strategy is in Branding and sustainable growth. The brands that were found to have positioned themselves with a unique brand image in various categories are as follows:

- In clothing, Myntra has topped the survey with the most number of responses as a result of sharing the strategies of its parent company, Flipkart like Google Adwords, Remarketing and Digital Marketing.
- In the category of Accessories, Club Factory has got the most responses due to its advanced proprietary Artificial Intelligence technology to compare from multiple manufacturers in real time to present the customer with the lowest price. It also reduces cost of dead inventory of the suppliers by giving insights on products sell fast.
- Amazon.com, the E- Commerce giant has got the most responses in the category of Lifestyle and Home products by its multiple branding strategy and with the 5 main strategies of Jess Besos which are as follows:

1. Be like the Godfather, Make them an offer that they can't refuse.
2. Don't give up information unless absolutely necessary.
3. Keep teams small enough that members can be fed with two pizzas.
4. Stop talking so much.
5. Get adversarial.

- Nykaa stands first in the cosmetic category. Nykaa believe in content marketing. They provide high value content to showcase their global trends.
- In lingerie category, Zivame has got the maximum number of responses due to the comfort and fit. Zivame follows more of online and social networking strategies

and also special offers like 'Try at home', 'Fit Consultant', 'Discrete packing' and 'Fitting Lounge'. But with a little fine tuning of some basic concepts any strategy can make a brand successful.

1. Public Relation is more important than advertising because Advertising is expensive and not very credible, especially when used on behalf of a new brand. That's why many of the most successful new brands were launched with PR.
2. The category is more important than the brand, consumers can't buy brands they only buy products with names attached. Therefore Brand building should concentrate more on the product or category more than trying to create a better known brand name.
3. The name is more important than the strategy so it is better if the brand name communicates the brand's strategies because the strategy never gets attention in the customer's point of view.
4. Visuals are always important than the verbal. The verbal concept is the nail and the tool that hammers the nail into customer's minds is the visual hammer. Better the visuals better the attention from the public.
5. Multiple branding can be better than single brands because when the brand plays an efficient role in multiple areas and when the name is heard in one or more places it attracts the minds of the consumers. On the whole, Strategic Management in branding is the key to reach more and more consumers effectively and quicker. A Brand with unique strategies can position itself faster in the market with a good business value.

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