# Олимпиада НИУ ВШЭ для студентов и выпускников – 2019 г.

# Демонстрационный вариант и методические рекомендации по направлению «Менеджмент»

Профиль: «Маркетинговые коммуникации и реклама в современном бизнесе» КОД - 141

### Время выполнения задания – 180 мин.

# Прочитайте статью<sup>1</sup> и сделайте её критический анализ на русском языке.

# **Communicating through Brand Websites to Create Unique Brands**

# **1. PURPOSE OF THE STUDY**

Differentiating own brands is the key strategy to establish a strong brand with unique associations (*Keller, 1998*). However, it is getting extremely difficult to do so because of the flood of new products launched every year. For example, Japanese market experiences an enormous number of new products introduced within one year; 213 canned coffee products, 765 snacks, and 1928 chocolate-related products all in the year of 2005 (*Tanaka, Hosoda, 2006*). Consumers are now facing lots of products in each category, thus differences among brands are hardly noticeable. As a result, all the different brands look very similar, which results in consumers' frequent switching activities.

This perceived similarity among different brands is very important in capturing the whole market picture, and is conceptualized by Muncy (1996) as brand parity. According to Muncy, brand parity refers to an overall perception held by the consumer that the differences between the major brand alternatives in a product category are small. For a marketer, it is extremely important to lower the level of brand parity, so that the customers perceive the brand unique, thus giving a plausible reason to purchase it repeatedly.

Previous researches have revealed the outcomes of brand parity, all indicating that high level of brand parity creates various kinds of undesirable outcomes. For example, Muncy (1996) found that high level of brand parity results in higher level of price sensitivity. Other studies discovered that high brand parity leads to more use of price cue (Obermiller, Wheatley, 1984), lower value perception of market information (Muncy, 1996), and lower level of loyalty toward a particular brand (Jacoby, 1971). Also, brand parity weakens the relationship between brand loyalty and satisfaction/perceived quality (Iyer, Muncy, 2005). However, despite of its importance, little have been known about the antecedents of brand parity.

At the same time, technological advancement has changed the way consumers learn about a brand. Marketing communications including advertisements on mass media, commercial information from salesperson at retailers, or promotional messages from brand-related events were more or less effective in convincing customers of the positive aspects of their brands. However, consumers are now searching necessary information to make purchase decisions at different websites on internet. This sheds light on the importance of brand websites, because marketers can educate their customers effectively by carefully designing these new media. Therefore, the purpose of this study is to understand the characteristics of consumers' browsing activity in a brand website, and to investigate its impact on their level of perceived brand parity.

# 2. METHOD

In order to gather empirical evidence, it conducted two studies. The first study implemented an online survey to capture the importance of the internet usage in purchase decisions in Japan. To better understand the role of a brand website in creating a more unique

<sup>&</sup>lt;sup>1</sup> Подготовлена на основе: Sakashita M. Communicating through Brand Websites to Create Unique Brands / In *Advances in Advertising Research (Vol. VII)*. Christodoulides G., Stathopoulou A., Eisend M. (Eds.). European Advertising Academy, 2017, P. 57-63.

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brand, the second study was conducted, where two different sets of data, a browsing data from an existing brand website in Japan, and an attitudinal data from online survey, were combined.

# 2.1. Study 1: Online Survey

The purpose of study 1 is to understand the importance of internet in consumers' purchase decisions. An online survey (N=1036) was conducted by a top research institute with the biggest consumer panels (over 1.1 million people) covering all over Japan, so that the age and the residence population of the participants could be designed to be similar to that of Japan. The male participants consisted of 48.2% of the samples while 51.8% were female. 36.9% were working full-time, 25.3% were domestic engineers, 12.5% were working part-time, 7.2% were students, and 18.0% were not working. Participants had to complete all the questions in the survey in order to be rewarded with special points that were to be converted to cash, so there were no void responses. All the questionnaires were sent out via emails, where they were to click on the link that would direct them to the survey pages.

The online questionnaire consists of three parts. In the first part, the participants were asked about a recently purchased product that they remembered well, as well as the price, purchasing place, and overall evaluation of it.

Also, brand parity of the product category that each participant had purchased was measured using the five items by Muncy (1996): "I can't think of any differences between the major brands of this product category", "To me, there are big differences between the various brands of this product category (reverse)", "The only difference between the major brands of this product category is price", "About this product category, most brands are basically the same", "All major brands of this product category are the same." For each question, they were asked to rate on a five point scale from "1 = I do not agree at all" to "5 = I agree very much." In the second part, they were asked how much they searched information in the following media to make the purchase decision: word of mouth from friends and family members (WOM), magazines, TV, radio, newspaper, internet, retail stores, company campaign events, and product sampling. They were asked to rate from "1 = I did not search at all" to "6 = I searched very much" for each media. Also they were asked how much they searched online in the following websites in the same manner: search engines (such as google or yahoo), comparison sites, brand websites, WOM forums, and social network websites. In the third part, the demographic characteristics of the participants were measured.

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# 2.2. Result of Study 1

Participants bought various kinds of products such as automobiles (104), PC and related products (101), clothing (97), foods (94), cosmetics (78), household durables (64), daily supplies (63), and so on. Among these different media, participants search for internet most intensely (average=3.55), followed by retail stores (3.34) and WOM (2.49). The means are displayed in Figure 1. There were strong correlations between radio and newspaper (r=.813, p<.01), TV and radio (r=.688, p<.01), and TV and newspaper (.670, p<.01); however, the correlations between internet and other media were all high (correlation coefficients ranged from .010 to .231). Therefore, it seems that participants search for online information relatively more, but they do simultaneously search for the information in the other media.



In online search (Figure 2), brand websites are visited most (2.96), followed by search engines (2.87) and comparison sites (2.74). Correlation matrix revealed that there were strong correlations between search engines and comparison sites (r=.776, p<.01), comparison sites and WOM forums (.687, p<.01), and search engines and brand websites (r=.624, p<.01). We can make a reasonable assumption that participants directly search for brand websites, or via search engines, to get necessary information to make purchase decisions. In order to see the relationship between search activities at brand websites and perceived brand parity, first the average of all the items were calculated after reversing the second item, to get a single BP variable (Cronbach's alpha=.673). The results showed that BP was positively correlated with search activities at brand websites (r=-.129, p<.01), while none of the other online websites were significantly correlated

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with BP. It seems that the more consumers search for information at brand websites, the lower the level of brand parity becomes; however, the relationship seems weak. In order to further investigate the relationship between brand website search and brand parity in details, the second study was conducted.

#### 2.3. Study 2: Field Experiment

In study 2, two different sets of data, a browsing data from an existing top brand website in Japan, and an attitudinal data from online survey, were combined. For the browsing data collection, all the browsing activities on an existing leading brand website in a sports nutrition product category of all the pre-registered customers (N=20000) were recorded during three-month period.

The website was selected because sports nutrition products are generally purchased with high involvement, therefore it would make it easier to track consumers' online browsing. Each page views (PV) were aggregated per customer, forming accumulated PV during the period per customer. Emailmagazines were then sent out to all of them, to encourage them to participate in an online survey, where brand parity among all the brands in the sports nutrition product category was measured using the same five item scale from Muncy (*1996*). 2711 valid samples were collected, then merged to the browsing data using unique customer ID. About 65 % of them had actually visited the website during the period, to form the final valid 1770 observations. Among those 1770 samples, 59.9% were male and 40.1% were female. 59.4% were working fulltime, 19.5% were domestic engineers, 4.6% were working part-time, 5.3% were students, and 11.2% were not working. The average of total visits to the website during the period was 3.15 per customer, that of total PV was 9.33, and that of total duration in seconds was 354.57.

#### 2.4. Result of Study 2

Using the PV data, cluster analysis was applied to detect four browsing clusters; nonsearchers (NS), campaign hunters (CH), nutrition information hunters (NIH), and extreme searchers (ES). Further ANOVA revealed significant differences among them (p<.01, see Table 1). Precisely, NS (consists of 72.5% of the whole samples) hardly searched for any pages (average of total PV in three-month period was 4.5), hardly visited the website (average of total visit frequency was 2.2), and rarely spent any time (average duration of each visit was 2.5 minutes).

CH (12.9%) typically searched only for the campaign related information (8.6 PV), visited the website occasionally (4.7 visits), and spent little time (3 minutes). NIH (11.3%) browsed moderate amount of information typically in nutrition information of the products (24.7 PV), occasionally visited the website (5.3 visits), and spent moderate amount of time (18.5 minutes). ES (3.3%) searched for large amount of information (66.1 PV), with highest website visit frequency (11.4 visits) and longest duration (45 minutes).

Cluster characteristics

Table 1.

	Total PV	Visit Frequency	Duration per one visit
NS (72.5%)	4.5	2.2	2.5 min
CH (12.9%)	8.6	4.7	3.0 min
NIH (11.3%)	24.7	5.3	18.5 min
ES (3.3%)	66.1	11.4	45.0 min

ANOVA was conducted to the average score of BP (Cronbach's alpha=.754), using those four clusters as factors, to find that there was a significant differences among them (p<.01). NIH

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and ES showed lower BP scores than NS and CH (means=2.53(.73) and 2.59(.73) < 2.77(.72) and 2.77(.69), respectively). The means are displayed in Figure 3. NIH and ES browse more pages in the brand website and seemingly learn more about the brand, which enables them to realize the unique characteristics of the brand, thus lowering the level of brand parity. Therefore, the more they browse, the more likely they become to perceive that all the brands are unique from each other.



Figure 3. Brand parity average

## **3. CONCLUSION**

This study sheds light on the importance of brand websites in consumers' purchase decisions, to create unique brand associations through browsing behavior. As study 1 shows, consumers' search activities tend to rely on the internet sources, and especially brand websites are important in constructing unique brand associations. However, as study 2 shows, even though the customers visit the brand website, very few of them actually browse the various kinds of contents related to the brand. In fact, NIH and ES segments together consist only 14.6 % of the whole visitors. Though small in numbers, however, these segments with relatively high page views, understand the unique characteristics of the brand better, indicating the low level of brand parity.

This study offers some implications to both academic and managerial fields. Theoretical implication is that it identifies the antecedent of brand parity in online context. Especially it highlights the importance of brand websites that create unique brand associations, through obtaining and analyzing the actual data from an existing brand website in Japan. As for managerial implication, marketers can use these results to implement a better segmentation strategy based on the online browsing behavior. It provides information which helps to construct a better brand website that educates its customers effectively.

Despite of its contributions, there are limitations to be noted. Study 2 offers only one product category with relatively high level of involvement, so future research should be conducted using different products with different level of involvement. The samples in study 2 were the members of the brand website, therefore their favorability toward the brand was relatively high, which may affect the results. It is highly important to use the real data from the natural field study, however, more heterogeneous samples under controlled settings are equally important for the validity of the findings. This study focused on the antecedent of the brand parity, but the direction of the causality is also questionable. The measurement of brand parity took place after recording the clickstream data, however, this by itself cannot rule out the possibility of the opposite direction. More controlled laboratory experiments are expected to solve this problem. Finally, the outcomes of brand parity in online context need to be studied as well in future studies. Brand parity serves as a key concept to understand the whole market picture, thus more researches are needed.

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# Questions for your consideration

1. What research questions were proposed in the article? What scientific methods were applied to investigate each of these questions? Were the results formulated and reasoned correctly in the article? Please, explain your opinion.

2. Brand parity and brand differentiation are the key concepts used in the article. Do you know any academic theories or methodological developments of practitioners associated with these concepts?

3. What are the advantages and disadvantages of a brand website compared to the other media for brand promotion taking into account various types of consumer involvement and attitudes?

4. Whether brand website as marketing communication tool has broad or narrow audience reach? What concepts of advertising reach / frequency do you know and which of them may be applied in this context?

5. What are the main global and Russian trends of development and measurement of internet media advertising market?

6. Are you aware of the restrictions related to brand differentiating statements (or propositions) established by the Russian Federal Law on advertising? Please, substantiate your point.

7. Could you please suggest new directions (that are not mentioned in the article) for further research of the phenomena that are discussed in the article? Could you formulate your own research hypotheses for further investigation?