

THE IMPACT OF BRAND ELEMENTS TOWARD E-COMMERCE VISITS

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## DECLARATION

I hereby declare that the report has been prepared by my own self except the summaries and citations that I have been clarify the resource.

Signature : .....

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Date : .....

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## **DEDICATION**

This thesis is dedicated to my father, Lai Sing Foi and my mother Wong Siew Lian, who taught me the value of education and who made sacrifices for us, so that I have the opportunity that finished my research.

## ABSTRACT

Developing and implementing the effective and suitable brand elements strategy is necessary for every business nowadays. Branding strategy had direct affecting a business performance. Mostly business will only focus on their quality and performance, but they were ignored their brand position in the market place. This is one of the reasons for many businesses unable to survive for long life. Brand is important for customer to recognize and remember a business and product. E-commerce become one type of businesses that easy to start-up and also end-up. This is because their weakness on brand strategy. The weakness of their branding strategy had influence their performance and customer loyalty because fewer customers willing to remember their brands. Ten online boutiques from e-commerce were selected randomly among the online boutique industry to investigate the important of brand elements for affecting their visiting from customers. The research utilized used four main brand elements which are brand name, brand logo, URLs, and brand slogan that advocated by Keller (2013). A series of questionnaires were allocated to respondents for their perception onto the important of brand elements to e-commerce visits. The study used to investigate the impacts of brand elements toward e-commerce visits from customers. The brand elements which are brand name, brand logo, URLs, and brand slogan were effectively affect the customers' visits of e-commerce website to be identified. A survey of Melaka citizen who aged around 18 until 35 years old and able to use online shopping found that there are a significant correlation between the brand elements were brought impacts toward the e-commerce visits. The equation  $\gamma = 0.025 + 0.397x_1 + 0.349x_2 + 0.165x_3$  had shown the relationship among those independent variables ( $x$ ) and dependent variable ( $\gamma$ ). Marketer for online boutiques should concern the important of their brand elements to get more visiting from customers and well design toward their brand name, brand logo, URLs, and brand slogan for high exposure.

## ABSTRAK

*Pada masa kini, sesetiap perniagaan adalah memerlukan untuk membangunkan dan melaksanakan strategi jenama elemen dengan secara berkesan dan bersesuaian. Strategi penjenamaan adalah secara langsung menjejaskan prestasi perniagaan. Oleh sebab, e-dagang merupakan salah satu jenis perniagaan yang mudah dimulakan dan juga ditamatkan, strategi jenama merupakan kelemahan terhadapnya. Kelemahan strategi penjenamaan mereka ini telah mempengaruhi prestasi dan kesetiaan pelanggan kerana kurang pelanggan yang mampu untuk mengingat jenama mereka. Terdapat sepuluh butik online dari e-dagang telah dipih secara rawak di antara kalangan industri butik untuk membuktikan kepentingan elemen jenama untuk mempengaruhi pelanggan yang melawat laman web mereka. Penyelidikan yang digunakan empat unsur jenama utama iaitu nama jenama, logo jenama, URL, dan slogan jenama yang diperjuangkan oleh Keller (2013). Satu siri soal selidik telah diagihkan kepada responden untuk persepsi mereka terhadap kepentingan elemen jenama untuk lawatan e-dagang. Kajian ini digunakan untuk mengkaji kesan unsur-unsur ke arah jenama lawatan e-dagang dari pelanggan. Unsur-unsur jenama yang jenama nama, jenama logo, URL, dan jenama slogan yang berkesan mempengaruhi lawatan pelanggan ke laman web e-dagang telah dikenalpastikan. Satu kajian dijalankan oleh warga Melaka yang berusia antara 18 hingga 35 tahun yang mampu menggunakan belanja online bahawa mempunyai hubungan yang signifikan antara unsur-unsur jenama telah membawa kesan terhadap e-dagang. Persamaan  $y = 0.025 + 0.397x_1 + 0.349x_2 + 0.165x_3$  telah menunjukkan hubungan antara pembolehubah-pembolehubah bebas ( $x$ ) dan pembolehubah bersandar ( $y$ ). Pemasar untuk butik online perlu membimbangkan kepentingan elemen jenama mereka untuk mendapatkan lebih banyak lawatan daripada pelanggan dan juga mereka bentuk ke arah nama jenama mereka, logo jenama, URL, dan slogan jenama untuk pendedahan yang tinggi.*

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of Study

E-Commerce is a mean of the buying and selling of products and services among the sellers and consumers through the electronic kiosk, without using any paper document. E-commerce is widely considered the buying and selling process over the internet, and the transaction also completed through online system. (InvestorWords, 2014)

E-commerce becomes broader in this era to fulfill all wants and needs of consumers. Consumers nowadays prefer to online shop rather than walk-in to existing shop in shopping centers to avoid some unwanted and uncomfortable issues. Therefore, e-commerce was become famous and growth rapidly in the market especially for the online apparel boutique shop. Many office ladies who have less time for shopping will familiar and like to shop online instead walk in existing shop.

Even E-commerce or online business have growing fast and become widely in this era, but they are still not stable in the market place. It is easy to start up an e-commerce business, meanwhile it is also getting end up easily. This is because there are too many online shops available in the internet. Consumers are not able to recognize the online shop name, brand, logo, etc. Consumers only will mention on the price, shipping fee, and interested display items on their websites. Since the recognition of online business brand is low, they are not stable yet in the market place.

Kevin Keller (2013) said, brand name is one of brand elements that fundamentally is an important choice since it often captures the central theme or key associations of product in a very compact and economical fashion. Brand logo and symbol also play an important role to build up E-commerce brand equity and brand awareness. According to the American Marketing Association (AMA), a brand is a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition. A strong brand will help to stable up the E-commerce in market place.

This research will be focused on the impact of brand elements toward the E-commerce visits. Branding the e-commerce business is important before starting up the business. There are several brand elements that need to be considered in improving the e-commerce business visiting such as brand name, brand logo and symbol, brand URLs, and brand slogan. URLs (Uniform Resource Locators) specify locations of the pages on the web and are also commonly referred as domain names.

Since e-commerce is using web in the internet as their platform, so the choice of specific URLs become important to direct the potential customers to their e-commerce website. Slogans are short phrases that communicate descriptive information about the brands. They play important role in advertising and marketing programs. Slogans are powerful branding devices, like brand names, an extremely efficient; shorthand means to build brand equity.

## **1.2 Problem Statement**

E-commerce business is an important commercial activity in this era due to the requirements of human being. Due to the busy and tired lifestyle nowadays, people are less to the existing shop but will more prefer toward online shopping. So, E-commerce cannot be neglect in the market place due to the business opportunities. E-commerce is more flexible to sell different products and services rather than the existing shop.



According to Jeff Bezos, CEO of Amazon, he said “If I have 3 million customers on the Web, I should have 3 million stores on the Web.” Just imagine a physical world where there are hundreds upon hundreds of branches of the same store, said J. B. Schafer (2001). It is growth too rapidly for e-commerce store in market place. It brought the brands of e-commerce store not enough strong to compete each other’s.

E-commerce is familiar to the human being nowadays, but the problem that frequently occurs is consumer cannot recognize which the online shop brand and name that they have shop before. Therefore how to choose brand criteria and brand element in E-commerce are critical in attracting the potential customers to brows and surf the site before they can choose the items they want to buy.

In relation to this, problem statement of E-commerce can be formulated as follow:

1. How to set up the good brand elements in the e-commerce business in order to attract all potential customers.
2. What the main brand element should be chosen in e-commerce so that brand owner can do the right positioning to their customers.

### **1.3 Research Question**

The research question is related to the problems that facing by E-commerce business. There are several research questions as below:

- I. What are the brand elements that affect toward e-commerce visits?
- II. What is the effect of brand name towards e-commerce visits?
- III. What is the effect of brand logo towards e-commerce visits?
- IV. What is the effect of URLs towards e-commerce visits?
- V. What is the effect of brand slogan towards e-commerce visits?

## 1.4 Research Objective

The research objectives are the purpose that identified the important of brand elements. Based on this research objective, there are shown the way to improve the E-commerce performance. There are few of research objective depend on the research questions above:

- I. To identify the brand elements that affect to E-commerce visits.
- II. To measure the effect of brand name towards e-commerce visits.
- III. To measure the effect of brand logo towards e-commerce visits.
- IV. To measure the effect of URLs towards e-commerce visits.
- V. To measure the effect of brand slogan towards e-commerce visits.

## 1.5 Hypothesis of the Study

A research hypothesis is the statement created by researchers when they are forecast upon the outcome of a research. The hypothesis is generated via a number of means, but usually the result of a process of inductive reasoning where observations lead to the formation of a theory. The hypothesis is an acceptable statement to give a researcher focus on constructing a research experiment. (Martyn, 2008)

Kotler said the name, associated with one or more items in the product line, which is used to identify the source of character of the items (Farhana, 2012). This is the reason important to state the brand elements which are brand name, brand logo, URLs, and brand slogan as the research hypothesis. This is the hypothesis statement for the study of brand elements and e-commerce visits according to the research theoretical framework:

**H<sub>0</sub>**: Brand name will not affect the e-commerce visits.

**H<sub>1</sub>**: Brand name will affect the e-commerce visits.

**H<sub>0</sub>**: Brand logo will not affect the e-commerce visits.

**H<sub>2</sub>**: Brand logo will affect the e-commerce visits.

**H<sub>0</sub>**: URLs will not affect the e-commerce visits.

**H<sub>3</sub>**: URLs will affect the e-commerce visits.

**H<sub>0</sub>**: Brand slogan will not affect the e-commerce visits.

**H<sub>4</sub>** : Brand slogan will affect the e-commerce visits.

## **1.6 Scope and Limitation and Key Assumption.**

This study is aimed to identify what kind of brand elements that can affect to the e-commerce performance. Brand elements covered in this study are: brand name, brand logo, URLs, and brand slogan.

This study will focus on online business services and all the available customers like teenagers, housewife, office workers, students, etc as respondents. The respondents can be range in different ages, occupation, gender, and salary. All of them are available to shop online. The information collected from several methods which are online survey, questionnaires, etc.

Time constraint is one limitation from doing this research. There are given a short time to finish the research and the preparation of report. The part that used up more time is getting survey from the respondents. There are needed innovative questionnaires and chosen for particular respondents. Besides, it is needed time to collect and filter the data. Short time will limit the progress of research.

Finding out the financial performance is not easy for e-commerce since they tend to be not very opened in this area. As a key assumption, that the performance of the e-commerce will be substituted with other dimensions such as the frequency of

customers to visit the e-commerce and the willingness of customers to make transaction in the e-commerce.

## **1.7 Significance of the Study**

### **1.7.1 Organization**

This study will be undertaken to find out the impact of brand elements to the performance of e-commerce since all of e-commerce business, especially in the fast moving products, are most likely in the similar platform as a boutique business, therefore some of findings can be applied to them, especially in setting up the brand elements. This study hopefully can contribute to those businesses who want to start the e-commerce by doing the right plan in term of branding.

### **1.7.2 Researcher**

Since internet is still growing up, e-commerce will also growing as fast as the advancement of internet and social media. Therefore research in this area will also increase and up to date. Branding in the digital era is very dominant and study about it is really since there will be many gaps can be explored by researchers.

The finding of this study hopefully can a little bit fill up the gaps and contributes to the other researchers who want to do the study in more in depth.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

Reporting in the general and business press suggests that many businesses are witnessing a burgeoning interest into e-commerce based business rather traditional shop. The number of e-commerce business is growing rapidly in the market place. Due to rapid growth of social networks, many of merchandise change their businesses toward e-commerce to increase their exposure, number of customer, and the most is profit margin.

This research examines the impact of brand elements toward the e-commerce visits. This study will seek the four of brand elements will affecting the e-commerce visits. This literature review will demonstrate the importance of branding and e-commerce in this era. Besides, this research will seek how the impacts of brand elements influence e-commerce visits according to the research objective. There are four significances of brand elements that carrying the important role which are brand names, brand symbol or logo, URLs, and brand slogan. Otherwise, this study will seek the attractiveness and effectiveness brand elements that will increase the e-commerce visits. This will demonstrate the importance of suitable brand elements to implement in the e-commerce business

onward build up the brands. However, the suitable of brand elements in the branding strategy also importance to grow up the e-commerce compares to increase its product and service quality.

## 2.2 Concept of E-Commerce

According to Dr. Anil Khurana (2012), the basic concept for electronic commerce (e-commerce) is pertaining to buying and selling of goods while „commercial“ denotes business practice and activities intended to make profits. E-commerce is like any other business deals with the exchange of money for soft or hard goods and services.

There is the term e-commerce from different perspectives (Kalakota and Whinstons, 1997). These perspectives are:

- Communication. According to this perspective, e-commerce is the delivery of information, product/ services or payments over telecommunication channels, computer networks or any other electronic mode of communication.
- Business process. E-commerce is the application of technology towards the automation of business transactions and work flow.
- Service. E-commerce is defines as a tool that addresses the desire of firms, consumers and management to cut service cost while improving the quality of goods/ services and increasing the speed of service delivery.
- Online. E-commerce provides the capability of buying and selling products and information on the internet and other online services.

E-commerce is using the power of computers, the internet and shared software to send and receive product specifications and drawings; bids, purchase orders and invoices; and other type of data that needs to be communicated to customers, suppliers, employees or the public (Dr. Anil Khurana, 2012). It is a profitable way to conduct business which goes beyond the simple movement of information and expands electronic transactions from point-of-sale requirements, determination and production scheduling, right through to invoicing, payment

and receipt. There are key standards and technologies that used by e-commerce including Electronic Data Interchange (EDI), Technical Data Interchange (TDI), Hypertext Mark-up Language (HTML), Extensible Mark-up Language (XML), and the Standard for Exchange of Product model data (STEP). Besides, e-commerce is also made possible through the expanded technologies of the Internet, the World Wide Web, and Value-Added Networks.

### 2.3 E-Commerce Types

According to Rania Nemat (2011), e-commerce is the use of internet and the web to transact business but when we focus on digitally enabled commercial transactions between and among organizations and individuals involving information systems under the control of firm it will takes the form of e-business. It will become very important to draw the line between different types of commerce or business integrated with the „e“ factor. E-commerce can be categorized in many different types regarding the relationship between different sides of business. The e-commerce types are:

- Business-to-business (B2B). It is described the business transaction between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer.
- Business-to-consumer (B2C). It is described activities of businesses serving end users or consumers with products or services. In other term, B2C applies business or organization that sells products or services to consumers within the internet for its own use.
- Consumer-to-business (C2B). It is an e-commerce business model in which consumers or individual that offers products or services to companies and the companies pay to them.
- Consumer-to-consumer (C2C). It is an e-commerce business model that involves the electronically facilitated transactions between consumers

through third party and the third party can generally charge a flat fee or commission.

## **2.4 Need of E-Commerce**

“If I have 3 million customers on the Web, I should have 3 million stores on the Web.” (Jeff Bezos, 2001). Imagine a physical world where there are hundreds upon hundreds of branches of the same store. This is impossible in the physical world (J. Ben Schafer, 2001). At a minimum, e-commerce companies need to be able to develop multiple products that can meet the multiple needs and wants of multiple consumers. It is important for e-commerce to provide more choices for consumers rather to produce more products.

Dr. Anil Khurana (2012) has said, the global business environment is moving faster than ever before. Increased competition at home and abroad means quality as well as profitability must be preserved by corporate houses. Traditionally, the response in the face of competitive threat has been to reduce costs, shedding labor and restructuring business, coupled investment in technology to improve productivity and generate profit. In his comments, he also mentioned a reduction in acquisition times and costs, lower prices for goods and services, an expanded number and quality of suppliers, an increase in buyer productivity. E-commerce can provide a better management information and better inventory control which are possible. One of the benefits which are a reduction time to market is achievable giving improved operating efficiencies and improved product quality at reduced cost.

Thus, e-commerce becomes a solution to solve the problem of traditional commerce instead based on those benefits stated above. E-commerce becomes one of the needs for consumers nowadays and it became popular among the consumers and suppliers. It was fast, easy and efficient, allowing customers to