

Chapter 3

Branding 4.0 Lessons from Industry Leaders

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Meera Sharma  and Kailash Bisht 

Abstract

Branding is integral to the success of innovative technologies and social projects, and its intellectual and practical value should be articulated to thought leaders beyond marketing, as well as executives and practitioners. This study employs a comparative cross-case study approach to examine co-creative processes within chosen businesses' digital strategy. It combines secondary data on value co-creation and Industry 4.0 (I4.0) as distinct phenomena. This study analyzes the impact of I4.0 on branding and customer behavior by assessing current technology advancements. It attempts to comprehend the fundamental concepts of technology and innovation adoption, as well as the relationship between branding and I4.0, emphasizing the evolving nature of the marketplace and the implications of I4.0 on branding operations. The study explores the adoption of Branding 4.0 by global luxury brands, revealing that, despite fears regarding dilution of exclusiveness and brand value, these brands are now embracing digital technologies for greater brand value in response to changing consumer preferences and adversary scenarios. This study attempts to explore the influence of artificial intelligence (AI) technology on digital marketing and branding. It will look into how the Metaverse, AI, blockchain, virtual reality, and augmented reality may be utilized for branding. The study emphasizes the significance of organizations competing in digital and virtual environments in the context of digital transformation to succeed in an increasingly competitive market. Businesses have to modify their marketing strategies to offer more engaging and interactive experiences by employing voice search, chatbots, augmented reality, and virtual reality. This study emphasizes AI's role in future tech-based, AI-enabled marketing for organizations.

Keywords

Branding 4.0, Customer-Brand Relationships, Online Media, E-Commerce, AI Influencers, Influencer Branding, Virtual Branding, AI Branding

¹USCS, University University. meerasharma@uumail.in

²Uttaranchal University. kailash.bisht1911@gmail.com

Corresponding Author:

Email-id: kailash.bisht1911@gmail.com



1. Introduction

Branding is fundamental for disruptive innovation and social purpose initiatives, however notwithstanding substantial advances in the past thirty years, its practical influence and strategic importance in the marketing areas are often undervalued, reviewed, and underutilized in practice ^[1]. Discourses establish best practices and standards, which form place branding. Experts play an important role in crafting these discourses, but few research have investigated their perspectives on acceptable and authorized branding. Exploring branding discourses throws light on advantageous practices and who can express them, as they affect places, individuals, and stakeholders ^[2]. The importance of customer experiences for establishing outstanding brands is well acknowledged, yet there is a discrepancy between brand management and customer experience engagement. Exploring ways to articulate the brand's experience proposition and establishing a framework for creating it and presenting it to New Service Development organizations is crucial ^[3]. Technology is transforming the way businesses operate and customers make selections. The 4A process (Aware, Attitude, Act, and Act Again), a funnel-shaped design represents the client path from awareness to purchase. It entails forming a mindset about a brand, establishing a purchasing choice, and estimating its potential for recurring purchases. However, this procedure shrinks the customer volumes since individuals who appreciate the brand are already aware of it ^[4]. Consumers are transitioning from passive to active roles, necessitating businesses to integrate into long-term customer-brand relationships. This move, based on branding argumentation, has initiated a scientific discussion about value co-creation in the fashion sector. The emergence of Industry 4.0 (I4.0), which incorporates electronic and human labor, has accelerated technological innovation, allowing customers to influence certain aspects of businesses ^[5]. Globalization, digital transformation, and the internet have had an immense impact on marketing efforts and customer behavior, resulting in tremendous developments for society, businesses, and governments. Understanding digital concepts, frameworks, and technology adoption behavior is crucial for comprehending marketplace advancements and I4.0's transformation of marketing applications ^[6]. An intelligent enterprise has transformed into a digital marketing strategy that employs technology to expand market reach while increasing revenue. The industry's I4.0 digital revolution is transforming marketing by allowing enterprises to promote and market products via numerous internet platforms including social media, websites, blogs, and online apps, reaching customers all over the world. This shift is critical for attaining optimal business outcomes ^[7]. Experiential marketers consider customers as rational and emotional beings desiring delightful experiences, which challenges the conventional concept of customers as logical decision-makers. This approach encourages customers to actively participate in brand growth, which is a developing pattern. As a result, today's customers prioritize experience, making it critical for marketers to offer outstanding experiences for their customers ^[8]. Disruptive technologies including the internet of things (IoT), big data analytics, blockchain, and artificial intelligence (AI) have revolutionized businesses, with AI being the latest innovation that offers tremendous marketing transformation potential. Organizations throughout the world are investigating the most advanced AI solutions for their branding efforts ^[9].

2. Branding 4.0

Branding has advanced alongside technology, with Marketing 3.0 emerging as the most innovative technique over the past five years. However, research on Branding 4.0, the marketing of big data, is expanding, probably due to the necessity for an extensive understanding of marketing transformation and technology-driven approaches ^[10].

In figure 1 demonstrates that Branding 4.0 fosters social, environmental, and sustainability principles in communication, requiring businesses to embrace these values in order to create customer trust and achieve high social and environmental responsibility standards. It also encourages customers to actively participate in communication and brand creation by mandating open and responsive channels that respond to and involve them in decision-making processes ^[11]. Technological improvements and social media have strengthened customer relationships, resulting in greater technologically empowered, engaged customers who expect individualized products and services. To properly manage these clients, Branding 4.0 solutions that integrate offline and online networks are essential. This approach, based on collaborative marketing, allows businesses to co-create products and services together with customers, maximizing retention value and strengthening brand experience ^[12]. Online media and e-commerce have increased in popularity in the digital age, influencing how businesses market their products. Customers benefit from the internet since they can access it at any time and from any location. E-commerce is growing rapidly as consumers transition from physical to online buying, allowing buyers and sellers to communicate about pricing and products ^[13]. Businesses must integrate modern IT solutions with conventional marketing and branding frameworks to enable customized consumer involvement while also optimizing promotional strategies, brand positioning, and customer relationships. Data-driven insights extend beyond operational benefits, enabling long-term success and stability. Digital platforms, social media, and data analytics have all contributed to accelerate this evolution ^[14]. Brand endorsers are human individuals who can assist or hamper a brand's success. However, technical advancements have resulted in non-human substitutes that communicate with customers via artificial intelligence (AI). AI influencers may engage in breaches that compromise the accepted brand. Consumers are more likely to believe that AI-induced transgressions impact all AI influencers, whereas celebrity endorser behaviors are less likely to be interchangeable ^[15]. According to the findings, Influencer Branding has an enormous effect on the Fashion Industry and Brand Enhancement through influencing consumer preferences and establishing positive brand connections. However, no statistically significant evidence exists for the direct or indirect influence of AI technology on the Fashion Industry or Brand Enhancement in the

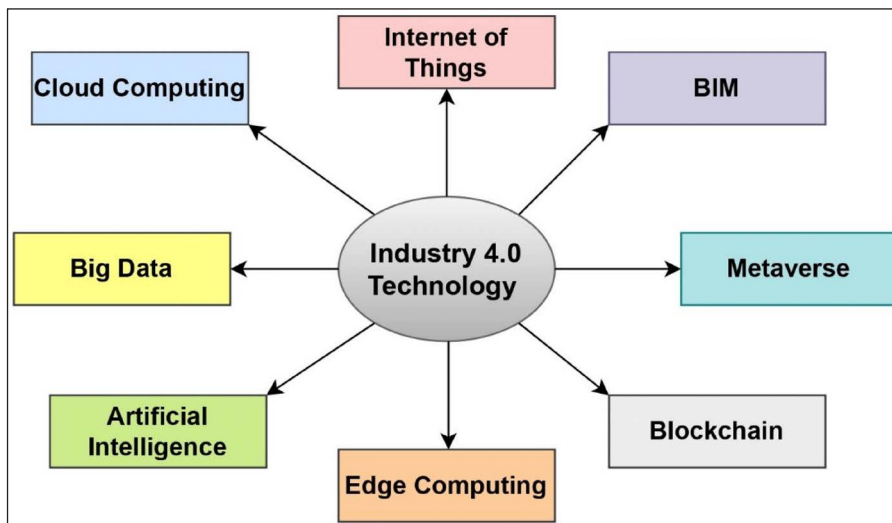


Figure 1: Integration of Industry 4.0

explored circumstances ^[16]. Innovation and customer behavior, especially among Generation Z and Alpha, have had a profound effect on marketing trends. Companies are now evaluating product sustainability from an economic, social, and environmental perspective. This transition to Branding 4.0 is critical for organizations to understand client preferences as well as adapt to digital purchasing. Understanding Marketing 3.0's predecessor is critical for comprehending its impact on enterprises ^[17]. Generation Z and Alpha find it easier to adapt to virtual worlds since augmented reality permits for in-store experiences in addition to branding opportunities in the Metaverse. Virtual branding and product choices will have an impact on brand recognition, while Non-Fungible Tokens (NFTs) will be utilized to create branded virtual content for consumers. This improves customer satisfaction and accessibility in the virtual world ^[18].

3. Artificial Intelligence (AI) assisted Branding Transformation

Fashion has transformed into an emblem of status that impacts our lives as well as multiple businesses. The fashion business is well-known for its innovative promotional strategies that strive to boost brand exposure, marketing, and profits. Brands are constantly striving to enhance their branding techniques in order to captivate the market and achieve their objectives ^[19]. Artificial Intelligence (AI) is transforming branding through enhanced designs and strategies. It is revolutionizing branding through subconscious branding, which makes consumers feel less targeted. This approach employs personal research and augmented analytics to unconsciously influence thoughts and decisions. Opinion mining has also emerged, allowing for creative decision-making at the intersection of intuition and justification ^[20]. AI is revolutionizing the retail business through enhanced brand experience, creating brand distinction, and influencing brand choice. AI branding activities have a considerable influence on brand experience, repurchase intention, and resource portability. However, interaction has little influence. The association between AI branding activities and brand preference is additionally influenced by customer experience ^[21]. AI has an immense impact on the next generation's economic growth, and intelligent brand interaction is crucial for brand creation. As consumer expectations increase, organizations encounter barriers in enhancing the customer experience. For stronger corporate performance, innovation is essential, as there are multiple approaches to implement AI in different sectors of business ^[22]. AI is transforming brand and client relationships, allowing marketers to focus on real-time consumer demands, identify content and network utilization, personalize user experiences, analyze competition efforts, and anticipate customer expectations. Machine Learning (ML), a component of AI, allows computers to review and comprehend data without explicit programming, increasing performance and accuracy. AI application is determined by the nature of the website and the category of the organization ^[23]. AI, a technology that processes information like human thought, can be used in marketing to improve personalization, predictive analytics, chatbots, customer service, content optimization, ad targeting, and branding automation. Best practices include understanding customer behavior, strategic decision making, tactical marketing, ethical AI, integration with other technologies, and collaboration with AI providers and startups ^[24]. The industrial revolution and, as consequently, the emergence of I4.0 has had a profound impact on corporate marketing, allowing them to digitally modify and recognize Branding 4.0 approaches reinforced by technological innovation. One of these is Big Data Analytics, which can assist an organization strengthen its branding strategies ^[25].

4. Recommendations

After the thorough literature review of the literature currently available on branding 4.0 approaches, we propose following recommendations for the future.

- Branding is essential for the long-term success of novel technologies and social initiatives, but the challenge is to acknowledge its importance and ensure creative and competent implementation of this process.
- Digital media is an efficient way for businesses to reach out to customers, making it an effective branding technique. Social media is an excellent example of a digital branding technique that allows products to reach a larger audience.
- Future marketers can leverage AI to improve customized customer experiences while creating branding analytics tools. Every engagement with a service or good is recorded, enabling for future offers to be optimized.
- AI could enhance corporate operations, identifying fraud, manufacturing, client retention, response speed, and demand forecasting, but its ethical application necessitate constant revisions and modifications for optimal efficiency and cost savings.
- AI-powered emotion and sentiment analysis enables businesses analyze customer reactions to their promotions, products, and services, allowing marketers to design emotion-based strategies that optimize brand experiences leveraging neural branding data.
- Marketers must be trained in blockchain technology and acclimatize to the Metaverse in order to expand brand exposure, particularly as communities have switched to virtual surroundings since the epidemic.
- Businesses should invest in AI knowledge, promote ethical and responsible AI, prioritize customer privacy and data security, embrace emerging technologies, and collaborate with AI vendors and start-ups.


Conclusion

The Fourth Industrial Revolution is reinventing organizations by integrating consumer and product data across all channels and products. AI and machine learning play an important role in big data analytics, allowing businesses to anticipate and design guided experiences that accomplish consumer expectations. This strategy enables a greater understanding of the end-to-end customer experience and visibility across all functional areas, resulting in increased future achievement for businesses. Effective branding concepts and skills have to be implemented in key domains for better on-the-ground management. This will assist management beyond marketing understand branding's value and mission-critical functioning. It may be important to reconsider the function of branding for learning and marketing. AI could strengthen brand experiences by personalizing content, increasing user engagement, and loyalty. Marketers employ it as a promotional tool, payment processor, and engagement manager. Chatbots assist customers with purchase decisions, learning from previous encounters, and optimizing for future ones. AI can identify and customize relevant information through observation, data gathering and evaluation. Marketing has an enormous impact on the fashion industry and brand enhancement by transforming consumer opinions and encouraging positive brand relationships. Influencer-driven initiatives contribute significantly for expanding these sectors. However, no statistically significant data exists to support the direct or indirect influence of AI technology on these businesses. The Metaverse's significance in digital transformation is essential for national progress. Businesses need to put more efforts in these areas to remain competitive

and adapt to change. Virtual worlds may feature difficult-to-achieve quantities, especially collecting virtual avatars in restrictive regions, where millions would not accommodate.

ORCID iDs

Dr Meera Sharma  <https://orcid.org/0000-0003-4626-1858>

Kailash Bisht  <https://orcid.org/0000-0003-3659-2012>

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