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Rebranding of OLX Ad Service Platform

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Abstract

The report describes the methodology for conducting marketing research, and records the results of the work done. All the knowledge gained about the topic of rebranding is described in the literature review. To prove the hypothesis, a survey was conducted with various groups of people. The results of the study are summarized and recommendations are described (Dymova, Bronnikova, 2018).

Branding is a whole science that includes various directions in working with brands, one of which is rebranding. Rebranding is a brand-changing system that companies resort to in various not-so-good situations. Nowadays, there is a problem associated with the rebranding process itself, companies do not understand that the problem is not in the wrong choice of the target audience, but in the fact that the brand may turn out to be unpleasant to the eye, uninteresting or not well adapted to modern conditions (Karpova, 2017). Rebranding is something that will never lose its relevance because companies change, develop, modernize and, in general, try to adapt to situations.

Key words: rebranding, branding, loyalty, consumer, promotion.

Introduction

Rebranding is a brand change. It is one of the marketing tools, characterized by a change in the name or logo of a company, its idea, or, for example, by updating the visual design of a brand, by choosing a new advertising strategy.

For our research, we chose OLX, namely the rebranding. We researched this topic, because nowadays more and more companies, manufacturers become boring, become uninteresting or have an uninteresting TM. Indeed, there is a lack of academic work in this area in the current literature, which in turn prevents managers from making informed and informed decisions when changing brands.

In many ways, the lack of theoretical guidance leads to randomness and randomness in rebranding planning, which ultimately contributes to a certain arbitrariness and uncertainty of the results. This article attempts to overcome the above limitation and systematically present the foundations of rebranding, which would lay a theoretical foundation for further theoretical and empirical research.

With this study, we want to understand how companies need rebranding, whether it is always effective and whether it helps any outdated brands at all (Tolstyakov, Nesterov, 2016). In this case, we want to understand what has changed since the OLX rebranding, what both ordinary people and entrepreneurs think about it, whether the interface has become more user-friendly, whether visits have increased, whether they like the new logo, colors and, in general, how everyone has affected changes in the number of users (Domnin, Starov, 2017).

OLX has recently undergone a rebranding. First, they changed the design and interface, which in general changes the idea of the brand, and of course opens more opportunities for Kazakhstanis (Landgrave, Kiryukov, 2014). OLX is a service for finding solutions, for finding answers to questions that have arisen, which makes life easier for people.

The problem of research is that rebranding and launching a new advertising company, considered as the liquidation of the old business, should lead to an increase in loyalty and expansion of the target audience, to strengthen the uniqueness of the brand, which, as a result, will make the brand more effective. It should be noted that a brand is not about how to advertise yourself brightly, but how consumers evaluate your behavior and fulfillment of promises.

Based on the rebranding of this company, we will be able to understand the effectiveness of the rebranding, why it was done, and, of course, the reasons themselves. But even now, the interface has become much better. The OLX company has been operating as a service for finding solutions for a rather long period, and therefore, to keep up with the current market development trends, they decided to rebrand, and what effect it had - we just find out thanks to our research.

Literature Review

Rebranding is a relatively new and rapidly developing direction in the theory of modern brand management (Kiryanova, Zyuzina, 2016). Interest in this topic is primarily due to the abundance of practical examples of rebranding implementation. For example, in the Kazakhstan market, rebranding affected companies operating in various sectors of the economy - railroad transportation (Kazakh Railways), universities (Narxoz), banks (ATF bank), FMCG (Aksay Nan), retail trade (Cash and carry) and others. Researchers agree in the interpretation of rebranding as ubiquitous, but at the same time risky, ambiguous in terms of results and difficult to implement (Leonov, 2019).

Indeed, rebranding results are often mixed. This judgment is confirmed in practice: despite the steadily growing number of companies that have implemented corporate rebranding, the level of errors (negative examples) remains disproportionately high (Kurilkina, 2018). Within the framework of the classical theory of brand management, brand equity is “assets associated with identifiers (name, brand name, symbol) that add value to a product or service”, is a key concept, and building brand equity is a determinant of effective and successful branding. From this point of view, rebranding, i.e. changing brand identifiers, is paradoxical, since it contradicts the classical concept of brand management. Corporate rebranding can not only increase, transfer, or create, but also destroy brand equity (Lolua, 2019).

Market orientation and the development of a strong brand of the company form unique competitive advantages that contribute to the growth of sales of the

company's products. At the same time, after more than 20 years of existence in a competitive environment, many domestic companies find their own brands in a stage of maturity and even decline. Strengthening the brand's position and keeping it in the maturity stage is the main task of brand managers, the solution of which can be achieved through corporate rebranding (Shadov, 2016).

Based on the performed theoretical analysis, we can conclude that that for many companies rebranding can really become effective solution to problems related to positioning and perception of the company itself or its brand. Combining comprehensive analysis problems with competent work on rebranding, companies can

significantly improve their position in the market, both from the financial side, and in terms of reputation, brand awareness by consumers. Rebranding is a marketing tool that allows companies keep up with the times, keep up with changing trends, while retaining their unique features.

Research question posed by the authors is rebranding had a positive effect on the company's activities and people's opinions?

Methodology

1. To explore secondary data, sources on the Internet were used, namely, scientific publications, the website of the company itself, as well as websites of web analytics (Be1.ru, 2020). We collected data about the company itself, the rebranding process, and the rebranding mechanism in the company. With the help of web analytics, the dynamics of site visits has been revealed since April, when the rebranding took place(Pr-cy. Online site analysis, 2020).

2. Quantitative research method - Poll. Used to get two types of information: from OLX users.

Sample:

The most accessible OLX users were selected for the survey of respondents. The sample consisted of 96 people. A statistical method was used to calculate the sample. The confidence level was chosen by 95%. The margin of error is 10%.

For the second survey, we used a snowball sample. When, from the first respondent, the numbers of friends who were most likely to be interviewed are taken. This is done to interview hard-to-reach groups, namely those belonging to the same professional group.

For an interview with OLX himself, we first compiled questions that we thought about for a long time, since they should be important for our research, to help prove or disprove the hypothesis, and then sent them to the mail, which is available on their official website (Marketing Media Review, 2020).

Results

From sources, we learned that the rebranding took 2 years, during which the company studied all the way the user interacts with the brand.

In general, OLX Group spent about \$ 1 million in total on rebranding its service.

Starting in South Africa, rebranding for the first time in 2018, followed by Pakistan, India, Indonesia and all Latin American markets in 2019. 6 years later, in March 2020, OLX carried out a rebranding in the Kazakhstan market. Then it was held in European countries: Bulgaria, Romania, Poland, Ukraine, etc. In the OLX Customer Support Center, there are several articles in which the company answers rebranding questions (Parsesite, 2020).

They say that the company sought to freshen up the idea of the brand, to provide not only a new positioning, but also an updated design and interface. This was done to keep up with the times and improve the functionality of the product.

The company claims that in terms of technical characteristics, the rebranding has brought about the following advantages: simplicity, speed, convenience (Forbes, 2020).

OLX goes beyond the online ad service and prioritizes a renewed concept that offers Smart Choice opportunities that improve users' lives, make them easy and simple to enjoy.

Based on this concept, Design Studio has created a dynamic, confident, and energetic visual design system that expresses all the optimism and attitude that OLX has in common (Bashkirtsev, Nikishina, Yuditsky, 2012).

From the visual side, in the logo, it has become more dynamic and brighter. The specific concept behind the logo means that the company helps users make the right choices and shows a wide range of choices. The logo letters are now in a deep turquoise color on a blue background.

The update affected both the desktop version and on IOS and Android on mobile devices. You cannot revert to the previous design if users have already updated.

Studying the reactions of users from various sources on the Internet, a small part of them is unhappy with the rebranding and consider it unsuccessful, but profits and surveys indicate that the majority are satisfied with the changes that have taken place.

Prices for services in OLX, despite the rebranding, have not changed.

According to the data for September 2020, the number of visits is about 11 million. In April, when the rebranding was just taking place, the number of visits was 8 million. The dynamics of the growth of visits after the rebranding is clearly observed in August, when the number of visits was 13 million users.

There are approximately 14,000 unique visitors daily and 50,000 visits.

According to the Internet resource "Forbes Kazakhstan", the income of OLX kz for 2019 amounted to \$ 21.88 million. And according to web analytics services, by 2020, the companies' income should be about \$ 60 million. That is, the income will almost triple.

The service also allows you to estimate the loading speed of the OLX website. Thanks to this, we got to draw the following conclusions:

- speed of downloading from computers gives a good result - 1.5 sec. However, rendering large content takes 2.1 seconds. The delay time is 33 ms.
- the download speed through mobile devices has a poor result - 7.7 sec. It takes about 12 seconds to render the content, with a 1200ms delay.

This means that the work carried out, within the framework of rebranding, on functionality, design, content, is optimized and has a fairly good effect on the loading of the site, therefore, it has a favorable effect on the user experience.

As described above, we conducted two surveys. The first survey was for regular OLX users, and the second was conducted to find out the professional opinion of marketers and entrepreneurs.

As a result, we got 96 and 30 interviewed respondents in two surveys, respectively. To provide results, we use descriptive analysis of the responses received, or, more simply, descriptive analysis.

Most of the respondents to the first survey were between the ages of 18-25 (Figure 1) and the average family income from 200,000 - 500,000 tenge.

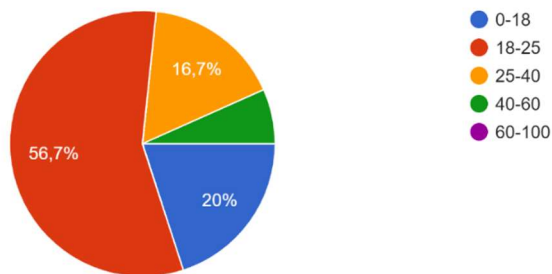


Figure 1. Question "What is your age?"

Note - compiled by the author

The interviewed respondents were pre-selected from among those who use the OLX application, but differed in the frequency of use, 60% rarely used the application, and 40% - on an ongoing basis (Figure 2).

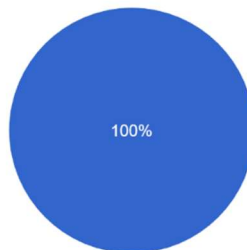


Figure 2. Question "Do you use OLX"

Note - compiled by the author

The survey was conducted in order to get an opinion on the changes in OLX, so it was appropriate to ask whether the respondents know what rebranding is. 83.3% - know what rebranding is and, accordingly, 16.7% - do not know, they included respondents under 18 years of age (Figure 3).

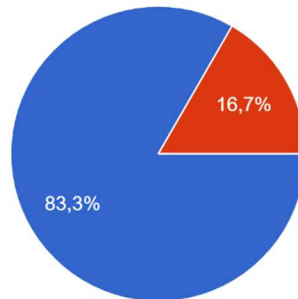


Figure 3. Question "Do you know what rebranding is"

Note - compiled by the author

When asked whether they liked using the application, 80% of the respondents put marks 5 and 4 (Figure 4).

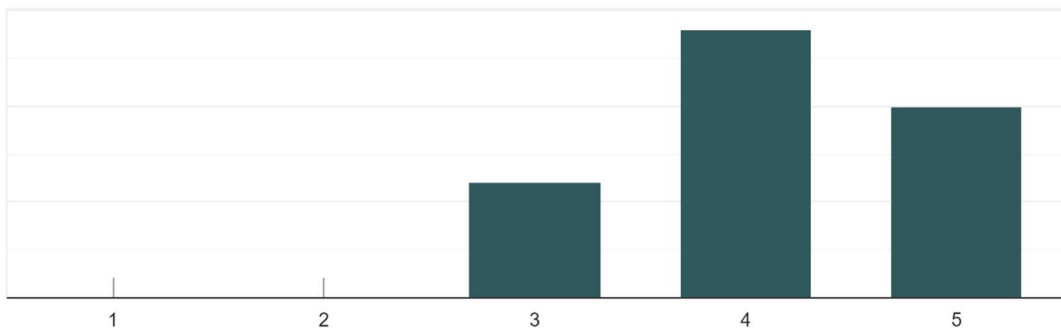


Figure 4. Question "Did you like using OLX before the changes"

Note - compiled by the author

So, the question was asked about the need for rebranding and about the goal. 80% - answered that the rebranding was necessary, and most of the respondents consider the goals to be "Increase profit" and "Increase coverage". 50% of those surveyed believe that the rebranding affected the profit, 33.3% - the number of users, and the rest voted for the "time of use".

In addition to descriptive analysis, we carried out a correlation of questions - the answer to which was in the form of a scale from 1 to 5. The correlation was calculated in Excel. The following questions were taken:

Calculated the multiple regression equation: $Y = 16 - 2.311X_1 + 2.441X_2 + 0X_3 + 0.036X_4$.

Increase X_1 by 1 unit. rev. leads to a decrease in Y by an average of 2.311.

Magnification X_2 by 1 unit. rev. leads to an increase in Y by an average of 2.441.

Change X_3 does not affect change Y .

Magnification X_4 by 1 unit. rev. leads to an increase in Y by an average of 0.036.

According to the maximum correlation coefficient of 0.706, we can conclude that X_2 influences Y as much as possible.

To prove the hypothesis, we took the last two questions "How do you think the rebranding has positively or negatively influenced the activities of OLX" from the polls and put the respondents' answers in the table. Most of the respondents in the two surveys chose the answer positively, which suggests that rebranding has had a positive impact in the eyes of consumers, similar to professional opinion.

The interview transcript, loaded into R software, and analyzed for content. For this, stop words (prepositions, conjunctions) were removed from the text, punctuation marks were removed, and a list of words that were repeated the most was compiled. (Table 1).

Table 1. Keywords in the R program

No	word	freq
1	olx	9
2	annexes	5
3	facilities	3
4	do	3
5	users	3
6	remained	3

7	services	3
8	the logo	3
9	rebranding	2
10	use of	2
Note - compiled by the author		

Also, based on the keywords in the R program, we compiled a word cloud (Figure 5).



Figure 5. Word cloud in R program

Note - compiled by the author

Discussion

Based on this, we found out what OLX wanted to achieve with the rebranding. OLX is redefining the online ad service concept and is committed to empowering people to make limitless decisions in an easy, simple, and comfortable way to improve their lives. Make an updated logo and interface design, improve the user experience. It opens more possibilities, understandable and accessible to everyone (Khan, 2013).

Renewed brand - providing smart solutions and helping the user in his task.

The platform allows users to complete online business processes in the most efficient way (Nedeljko, Kuzman, 2019). And companies need to be given such conditions in a particularly difficult time like now.

Thanks to the PR-PY service, we learned about the speed of launching the service and received positive results. This indicates that the company is working, as part of

the rebranding, to improve the technical component of its service, and provides speed and comfort, which favorably affects the user experience.

Recommendations

The study revealed the reasons why OLX rebranding. The practical orientation of this study is that the effectiveness of rebranding has been proven, companies in the market need to be afraid to experiment and update their brands (Tetiana, Oklander, 2015). Due to the growth of the online market, purchasing behavior is changing enormously, which entails the need for companies to keep up with the times and offer new solutions, while improving the old ones. Companies need to offer better terms for consumers by improving and updating the product and the concept of the company itself.

Companies need to be more sensitive to changes in the marketplace, monitor trends in consumer behavior and keep their finger on the pulse. Facilitate consumer interaction with your product by offering convenient solutions, as OLX did.

As a result of the study, the authors make the following recommendations:

- Strengthen SEO optimization of the site, for complex website promotion, since SEO is one of the channels of attracting traffic to the site. That is, the higher the position of OLX in the search results, the more conversions of visitors to the site.
- Develop an active plan for SMM promotions, since SMM is a way to drive traffic to the site. The use of advertising on social networks allows you to be closer to the audience and communicate with them, make announcements, conduct contests, etc. Therefore, it is worth paying great attention to maintaining the OLX corporate page on social networks. It is worth spending sufficient funds on targeted advertising, working with bloggers and influencers in social media networks. The last blogger ad was posted and launched 3 years ago. At the moment it has 16 million views, which is quite a decent result.
- Work on ranking algorithms in the app in the AppStore and Play market, that is, keep track of the positions of the app in the app store. When you enter "ads" or other relevant words, OLX is in the 3rd position in the AppStore, and in the Play

Market it is in the 4th line. Therefore, it is necessary to carry out work to increase the position in the search so that more people see and install exactly OLX.

- Develop your own delivery service. For starters, OLX can develop a delivery system in the service for intracity deliveries, but eventually scale delivery across all cities and regions.

Conclusion

The market is a place where everything changes dynamically. What was relevant yesterday is outdated today. A company that wants to stay afloat must change in accordance with current trends. For this, the rebranding method is often used.

In other words, you need to keep all the best that was formed and implemented in the education of the target audience before the rebranding. It is important to preserve the elements of the brand perceived by consumers as the strengths and advantages of the brand in comparison with competitors.

Based on the analysis carried out, we can conclude that for many companies, rebranding can really be an effective solution to the problems associated with the positioning and perception of the company itself or its brand. Combining a comprehensive analysis of the problems that have arisen with competent work on rebranding, companies can significantly improve their position in the market, both from the financial side and in terms of reputation, brand awareness by consumers. Rebranding acts as a marketing tool that allows the company to keep pace with the times, keep up with changing trends, while retaining its unique features.

Thus, rebranding, ensuring the sustainable further development of the brand, allows it to extend its life, bringing the brand to a qualitatively higher level in terms of its ability to more fully meet the changing needs of target audiences.

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