CROSS-CULTURAL RELATIONSHIP MARKETING IN HYPERMEDIA ENVIRONMENTS

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ABSTRACT

Faced with a decline in advertising effectiveness, marketers have resorted to relationship marketing. This marketing school provides some theoretical foundations for how to market on the Internet. However, the Internet is not a mass market. Marketers have to develop real human relations in this new multicultural environment.

INTRODUCTION

"Ubiquity" and "paradigm" are two buzzwords that are often used when discussing how the Internet is affecting our society in general, and marketing in particular. Ubiquity refers to the astonishing penetration of the Internet into all segments of the economy — media, entertainment, education, business communication, and, indeed, marketing. While the Internet is still mostly an Anglo phenomenon (North America, United Kingdom and Oceania), it reaches all corners of the world. The truth is it is still not a mainstream form of communication. The barriers of entry are still too high to call the Internet a mass market.

"Ubiquity" therefore may be somewhat of an illusion because the Internet reaches mostly the elite of our society — the gatekeepers, the decisionmakers, and the powerful. What cannot be disputed is that the Internet (the World Wide Web in particular) represents the new "paradigm" in all forms of communication. No matter the fate of what we now understand as the Internet and the World Wide Web, interactive many-to-many communication is here to stay. It is NOT a fad.

The real dynamic behind the World Wide Web phenomenon is the empowerment it brings to the individual by allowing us to:

1) select our information intake from a myriad of sources;
2) enjoy information when we have time (not when the broadcaster decides to transmit it), and;
3) have the option of communicating back to the source of the information instantaneously.

Further, the appeal of this empowerment is as universal as freedom of expression. Denying this phenomenon is the intellectual equivalent of denying the impact of Gutenberg’s printing press on the reformation. The marketer must learn to operate effectively in this truly multicultural environment.

AUDIENCE FRAGMENTATION

The Internet is merely the most recent example of a dizzying proliferation of information resources. The advent of a variety of new media — cable television, satellite television, greater choice in radio programming, thousands of specialty newsletters and magazines, the marketer’s audience has become fragmented. "The potential customers are scattered into a wide variety of media audiences, and there has been a decline in overall advertising effectiveness.” (Peppers and Rogers, 1995) Choice has empowered the consumer to be more selective about his information intake. The consumer searches for his preferred content in a variety of media. The Internet adds complexity to the audience fragmentation.

RELATIONSHIP MARKETING

With the loss of the traditional mass-market, relationship and database marketing target groups of consumers on a mass-market scale using various forms of computer technologies, technologies that have only been around for about the past ten years. Relationship marketing “measures success in terms of long-term gains in its share of its customers’ business, unlike mass-marketing which counts wins or losses in terms of market share increases that may well be temporary.” (Peppers and Rogers, 1995) For example, a company may search a database to come up with a group of people who are likely customers for a new product. The age, income, marital status and past purchasing
behaviors of consumers can be stored in databases for exploitation in direct mailing campaigns or phone solicitation.

A company may also maintain a database of its own customers in order to follow up on their past purchases with new products, upgrades and so on. Relationship marketing often involves something called tiering. (Rosenfield, 1994) The customer is asked to aspire toward an increasingly intimate relationship with the company. Consumer loyalty is rewarded with points and savings toward future purchases. Airline frequent flyer programs fall into this category. So do credit cards such as American Express Gold and Platinum, which are supposed to give the customer a higher level of service than regular membership.

TECHNOLOGY AND HUMAN RELATIONS

In hypermedia marketing "you suddenly move from monologues to dialogues with customers, and most direct marketers are trained to send and not receive." (Egol, 1994) The customer must now be approached as an individual. In reality, this is not a new concept. The purest form of relationship marketing is the small-town store where the clerk knows every customer by his first name and knows what his purchasing patterns are, ensuring that the store is stocked with products that keep his customers coming back. This is a very important point. Communications technology such as the Internet brings us closer together, interpersonally and commercially. At least it enables us to get closer to our customers, and, likely, the customer will expect more personal service. A practical analogy is the switch back to human phone operators rather than automated PBX systems simply because people-to-people interaction is more intimate and satisfying than people-to-machine interaction.

Only direct interaction with the customer -- one-to-one, one-to-many and many-to-many -- can explore what the real needs of the customers are. Relationship marketing theory provides some foundation for how closer relations with the customer will be accomplished, but it is arguably a more human endeavor than simply collecting data on purchasing behaviors. The truth is that today's hi-tech databases, with all their socioeconomic and psychographic contents, are not enough to know which solutions customers really need. "We want relationships, because we know that relationships make us money. But what exactly is it that the customer wants? The customer wants solutions. Providing solutions, rather than merely products, creates the basis for a true customer relationship." (Rosenfield, 1994) New technologies such as Netscape cookies are attempts to facilitate database/relationship marketing online, but there is legislation in the works to limit the amount of personal data that can be retrieved without the consumer's consent. Also, many countries such as Germany limit the amount of personal information that can be collected and stored for commercial purposes.

In the future, consumers will want to conduct business with trusted providers of solutions. These solutions can only be provided by the holders of metainformation -- information about information. They will deliberately reject solicitations generated from databases compiled for the sole purpose of manipulating consumers -- much like we throw out most of our junk mail. Good metainformation, and good online marketing, will have to combine the latest computer database technology with human judgment, keeping the consumer's best interest in mind.

THE HYPERMEDIA MARKETING ENVIRONMENT

Figure 1 is based on a similar chart by Keegan (1989). It outlines the trends in marketing in terms of the focus, means and ends of the marketing concepts. The first concept is the old concept, dating before the 1960s. This era in marketing is described as very inward directed, meaning production improvements are generated in-house, and the stakeholders are all within the company. The next stage in marketing, the new concept, came about in the 1960s. Here the focus shifts toward customer satisfaction.

The strategic concept of marketing began in the 1980s. Here, marketing is an integrated part of all the corporate management functions, and the company sees itself as being part of a larger community with stakeholders beyond the company gates. Improvements in communication means the company can no longer be an anonymous player in society. Public relations becomes a corporate priority -- even a marketing strategy in itself. An interesting development in the strategic stage is that profits becomes a means to the end of improving the lot of the stakeholders -- society at large. The corporation evolved toward becoming a more responsible citizen. The original Keegan model ends with the strategic marketing concept. What remains constant throughout these three