

Internet communication differs from conventional marketing communication

Internet marketing differs from conventional marketing communications because of the digital medium used for communications. The Internet and other digital media such as digital television, satellite and mobile phones create new forms and models for information exchange. A useful summary of the differences between these new media and traditional media has been developed by McDonald and Wilson (1999) -they describe the '6 Is of the e-marketing mix'. Note that these can be used as a strategic analysis tool, but they are not used in this context here. The six Is are useful since they highlight factors that apply to practical aspects of Internet marketing such as personalisation, direct response and marketing research, but also strategic issues of industry restructuring and integrated channel communications. By considering each of these facets of the new media, marketing managers can develop marketing plans that accommodate the characteristics of the new media. This presentation of the '6 Is' is an interpretation of these factors using new examples and diagrams to illustrate these concepts.

1 Interactivity

John Deighton was one of the first authors to summarise the key characteristics of the Internet. He identifies the following characteristics inherent in a digital medium (Deighton, 1996):

- the customer initiates contact;
- the customer is seeking information (pull);
- it is a high-intensity medium - the marketer will have 100 per cent of the individual's attention when he or she is viewing a web site;
- a company can gather and store the response of the individual; « individual needs of the customer can be addressed and taken into account in future dialogues.

During this process, there is limited interaction with the customer, although interaction is encouraged in some cases such as the direct-response advert or mail-order campaign. On the Internet, it is usually a customer who initiates contact and is *seeking* information on a web site. In other words it is a '*pull*' mechanism unless e-mail is used (this can be considered as a push technique). The Internet should be used to encourage two-way communications, which may be extensions of the direct-response approach. For example, FMCG suppliers such as Nestle (www.nescafe.co.uk) use their web site as a method of generating interaction by providing incentives such as competitions and sales promotions to encourage the customer to respond with their names, addresses and profile information such as age and sex.

Hoffman and Novak (1997) believe that this change is significant enough to represent a new model for marketing or a new marketing paradigm. They suggest that the facilities of the Internet including the web represent a computer-mediated environment in which the interactions are not between the sender and receiver of information, but with the medium itself.

They say:

consumers can interact with the medium, firms can provide content to the medium, and in the most radical departure from traditional marketing environments, consumers can provide commercially-oriented content to the media.

The content customers can provide may be directly commercial such as auctioning of their possessions such as via eBay (www.ebay.com) or could include comments on companies and products submitted via a newsgroup.

2 Intelligence

The Internet can be used as a relatively low-cost method of collecting marketing research, particularly about customer perceptions of products and services. In the competitions referred to above, Nestle are able to profile their customers on the basis of the information received in questionnaires. The Internet can be used to create two-way feedback which does not usually occur in other media. Financial services provider Egg (www.egg.com) collects information about their online service levels through a questionnaire that is continuously available in the customer service part of their site. What is significant is that the company responds via the web site to the main concerns from the customer; if the length of time it takes to reply to customer service e-mails is seen as a problem it will explain what the organisation is trying to do to resolve this problem.

A wealth of marketing research information is also available from the web site itself, since every time a user clicks on a link this is recorded in a transaction log file summarising what information on the site the customer is interested in. Since these log files quickly grow to be many thousands of lines long, analysis software tools are needed to summarise the information contained within them. Log file analysers, of which Webtrends (www.webtrends.com) is the most widely used, will highlight which type of products or promotions customers are responding to and how patterns vary through time. This enables companies to respond in real time to buyer behaviour. UK e-tailer (short for e-retailer) Jungle.com uses this technique to change the offers on its home page if customers are not responding to a special offer.

3 Individualisation

Another important feature of the interactive marketing communications referred to above is that they can be tailored to the individual unlike in traditional media where the same message tends to be broadcast to everyone. The process of tailoring is also referred to as **personalisation** and is an important aspect of achieving customer relationship management online. Personalisation is often achieved through extranets which are set up with key accounts to manage the buying and after-sales processes. Dell (www.dell.com/premierpages) has set up 'Premier Pages' for key accounts such as the Abbey National where special offers and bespoke customer support are delivered. Another example of personalisation is that achieved by business-to-business e-tailer RS Components (www.rswww.com). Every customer who accesses their system is profiled according to their area of product interest and information describing their role in the buying unit. When they next visit the site information will be displayed relevant to their product interest, for example office products and promotions if this is what was selected. This is an example of what is known as **mass customisation** where generic customer information is supplied for particular segments, i.e. the information is not unique to individuals, but is relevant to those with a common interest. The online booksellers such as Amazon (www.amazon.co.uk) use this approach to communicate details of new books to groups of customers. Gardeners, for instance, who have previously purchased a gardening book, will receive a standard e-mail advertising the latest gardening tome. This is again mass customisation.

4 Integration

The Internet provides further scope for integrated marketing communications. When assessing the success of a web site, the role of the Internet in communicating with customers and other partners can best be considered from two perspectives. First, organisation-to-customer direction: how does the Internet complement other channels in communication of proposition for the company's products and services to new and existing customers with a view to generating new leads and retaining existing customers? Second, customer-to-organisation: how can the Internet complement other channels to deliver customer service to these customers? Many companies are now considering how they integrate e-mail response and web-site callback into their existing call-centre or customer service operation. This may require a substantial investment in training and new software.

Some practical examples of how the Internet can be used as an integrated communications tool are as follows:

- The Internet can be used as a direct-response tool, enabling customers to respond to offers and promotions publicised in other media.
- The web site can have a direct response or callback facility built into it. The Automobile Association has a feature where a customer service representative will contact a customer by phone when the customer fills in their name, phone number and a suitable time to ring.
- The Internet can be used to support the buying decision even if the purchase does not occur via the web site.

For example, Dell has a prominent web-specific phone number on their web site that encourages customers to ring a representative in the call centre to place their order. This has the benefits that Dell is less likely to lose the business of customers who are anxious about the security of online ordering and Dell can track sales that result partly from the web site according to the number of callers on this line. Considering how a customer changes from one channel to another during the buying process is referred to as **mixed-mode buying**. It is a key aspect of devising online marketing communications since the customer should be supported in changing from one channel to another.

Customer information delivered on the web site must be integrated with other databases of customer and order information such as those accessed via staff in the call centre to provide what Seybold (1999) calls a '360 degree view of the customer'.

The Internet can be used to support customer service. For example easyjet (www.easyjet.com), which receives over half its orders electronically, encourages users to check a list of frequently asked questions (FAQ) compiled from previous customer enquiries before contacting customer support by phone.

5 Industry restructuring

Disintermediation and reintermediation are key concepts of industry restructuring that should be considered by any company developing an e-marketing strategy.

For the marketer denying their company's communications strategy it becomes very important to consider a company's representation on these intermediary sites by answering questions such as 'Which intermediaries should we be represented on?' and 'How do our offerings compare to those of competitors in terms of features, benefits and price?'.

6 Independence of location

Electronic media also introduce the possibility of increasing the reach of company communications to the global market. This gives opportunities to sell into international markets that may not have been previously possible. Scott Bader (www.scottbader.com), a business-to-business supplier of polymers and chemicals for the paints and coatings industry, can now target countries beyond the 40 or so it has traditionally sold to via a network of local agents and franchises. The Internet makes it possible to sell to a country without a local sales or customer service force (although this may still be necessary for some products). In such situations and with the restructuring in conjunction with disintermediation and reintermediation, strategists also need to carefully consider channel conflicts that may arise. If a customer is buying direct from a company in another country rather than via the agent, this will marginalize the business of the local agent who may want some recompense for sales efforts or may look for a partnership with competitors.

Kiani (1998) has also presented differences between the old and new media, which are shown in Table 1.3. Annotations to the differences between the old and new media have been added to the table.