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Marketing strategies change in the e-commerce era

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DURING the Agricultural Age, probably the term marketing was not used to describe trade on agricultural goods or the sale of handicrafts and other items. However, people did engage in the process of exchanging goods and services using the barter system. In this system, the buyers and sellers knew each other and there was no power play. There was mutual dependence on each other for survival during this period. The essence of marketing in the pre-industrial days can be summarised as follows:

- * Products were custom designed
- * Buyers and sellers knew each other and they entered into a mutual learning relationship
- * They operated on a mutual coexistence principle.

There was no dominance relationship

- * There was a high level of loyalty among sellers and buyers.

Interestingly, it was during the Industrial Age that the term marketing was coined to signify the need identification and satisfaction process. This was necessitated due to the fact that the producers/sellers (large factories producing goods of uniform quality in large quantities) did not have a face-to-face interaction with the consumers.

Consequently, producers of goods had problems matching

customer needs with their manufacturing capabilities. Even with all the rhetoric about the customer being the king, the industrial era did use tools like manipulative advertising and high-power selling skills to exploit the gullible customer.

As we are in the midst of the Third Wave (Alvin Toffler _ 1980), marketing is also undergoing a tremendous change. Just as the theories and methods that were popular during the Agricultural Age got overthrown and new rules were invented for the Industrial Age, we are once again witnessing a major shift in established beliefs and methods of doing business for the information age.

Well-known marketing guru Philip Kotler, in his recent book, makes the following observation about marketing: ``I have had a 38-year romance with marketing and continue to be intrigued. When we think that finally we understand marketing, it starts a new dance and we must follow it as best as we can."

This article highlights how marketing is changing its focus and colour as we are moving towards the information era with its e-commerce and electronic shopping.

Cyber-shopping basically allows consumers to sit in the comfort of their homes and research and purchase their goods. There are no crowds, parking problems or check-out queues. One can shop in the middle of the night and from any part of the world. At the click of a button, virtually any product can be ordered from any part of the world. That is the power of e-commerce. This in many ways is a new paradigm, which requires a different treatment.

Networking is power

As information was power in the industrial society, people tried to keep everything a secret and away from competition and thrived on the protection they obtained from patents and other means. Even today, Coca-Cola continues to harp on the secret formula used to make the original Coke. It is a different matter that not many people would care for that any more!

Macintosh kept its operating system a secret and lost out on the advantage and the lead it had over other competitors in the personal computers market. It is by sharing that you make

money and not by safeguarding your secrets.

The telegraph's dashes and dots, moving through a copper wire, transformed society by reducing the barriers of time and distance relative to hand carried messages. Television moved beyond two-way audible information transfer to include visual and audible inputs. Television and radio, unlike the telegraph and telephone, is one-way communication, which technically isn't really communicating. With the Internet, we could network with millions of people and pass on messages (audio, video and text) across the globe.

In the traditional advertising methods, only limited information could be passed on to the customers. In the Internet age, companies provide reams of information about the product, its composition, comments from users and even details about competing products and services. There is a lot more transparency and openness in the buying and selling of goods and services through the Net. Many conventional information vendors worry that the tremendous volume of free information on the Net could make it impossible to charge for information products and services.

That may be true in some cases, yet erotica vendors exist by the hundreds even though the Net is awash with free erotic imagery. Vendors, evidently, succeed less through unique content than through innovative organisation and the effective management of information. According to a recent Inc Online article, erotica vendors were among the first to offer periodic e-mail delivery, now a routine way of packaging products (search-engine updates, for one).

They were also quick to start carrying their archives in a variety of formats. (One format might allow shorter download times, for example; another, higher-resolution graphics.) And they blazed trails developing thumbnail graphics (miniature pictures that serve as graphical file names) to help users scan large image archives.

Actually, much of the free erotica content online is provided by the vendors themselves. Most offer unlimited access to peripheral libraries, short periods of free access to their main archives, and lists of links to sites offering free erotica. The freebies are used to demonstrate the effectiveness of their site design its accessibility. its organisational clarity. its

straightforward navigating cues, and its downloading speed.

The tactic could work just as well for conventional businesses, like newspapers and magazines. The Boston Globe, for example, already gives away each day's news but sells access to the full text of the articles in its archives.

Customisation is the key

The ultimate luxury that a customer can get is in terms of custom-designed products and services. Using the Net to sell mass produced goods will be like using a computer as a typewriter. The Net offers a tremendous opportunity to understand customer needs one at a time and offer customised products and services.

Over two decades, Henry Ford manufactured 6 million Model T cars, all black. Today, the average number of cars that roll off an assembly line in any single production run is less than 50. They come in a multiplicity of colours, styles, trim, and equipment options.

Software Sportswear, a California company, sells mass-customised individual bikinis for individual bodies. These you can get made out of 150 different fabrics and 100-odd designs and make your choice after viewing your image on the screen dressed in the clothing of your choice.

The Net offers immense possibilities to capture individual preferences and combine it with flexible production facilities to meet the individual needs. For example, a customer visiting a bookstore on the Net may browse through the books and possibly order for a few chapters of a book and get billed for the same and not for the whole book. With copyright laws permitting, a customer may be able to get his book made by combining chapters from different books.

From monologue to dialogue

Traditional advertising used one-way communication to persuade the customers to buy their products and services. In the Internet era, it is two-way communication that engages the customer in a dialogue with the company right from idea generation to product development and marketing and after-sales service. In fact, companies even get ideas from customers as to how they would like their used products

disposed of.

The traditional marketing operates on the axiom: `We make, you take; We speak, you listen. The communication is one way and is always loaded in favour of the manufacturer. In the e-commerce regime, it is called integrated communication, which has continuity and is customised for every individual.

(To be concluded)

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