The website: a relationship marketing tool?

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Abstract

This work is an initial approximation to study the influence of relationship on website design. Companies from various sectors have been selected for this and analysed to provide a representative sample.

Key words: Internet, relationship marketing, website.

JEL code: M31.

Introduction

Nothing has revolutionised the panorama of worldwide communications in recent decades quite as much as the appearance of the Internet. Companies are joining this network on mass, which not only provides a new form of communication but also means the development of new marketing techniques adapted to this new medium.

In Spain, according to the study drafted by the Asociación Española de Comercio Electrónico (AECE, Spanish Association of E-commerce) between the months of April and May 2000, 32.4% of companies are present on the Internet. Of this percentage 65.5% are present but do not sell and 33.5% use it as a method of sales.
In 1999 Spanish companies generated revenue of 11.951 billion pesetas via e-commerce, increasing this figure by 350% vis-à-vis the previous year. For 2000 growth of around 250% is expected reaching 29,877 billion pesetas. For 2001 it is expected that revenue from e-commerce will reach 74,692 billion pesetas and it is expected that in 2002 growth will increase significantly, reaching 336,114 billion pesetas\(^1\).

In just a few years, the advances experienced by the Net and software are radically transforming the structure of traditional channels of communication and distribution. With regard to communication, it enables adaptation of information offered to any market sector, at the same time as permitting organisation to provide accurate knowledge of dissemination of information, which can be translated into a more efficient treatment of this marketing tool.

As for distribution, we can also talk of capacity of adaptation to consumer needs as this medium gives the product greater use of time and location, which translates into an increase in value that can be a significant source of competitive advantages.

In general, it is clear that the first to make use of this new form of marketing are companies, although Spain is still at the tail end of this worldwide trend. This is deemed as such in the Andersen Consulting study, which states that Spanish companies rank beneath the European average with

(Amounts in billions of pesetas).
Source: 3rd Study on E-commerce in Spain. AECE.

regard to Internet use. This same study details that 57% of Spanish companies use electronic mail to fundamentally develop marketing activities.

It evident that of the relationship between companies almost a third of large Spanish companies purchase via the Internet, which means an 11% increase compared to 1999.

The situation in Europe shows certain differences: 97% of companies use e-commerce and 80% of companies invest in plans for the development of this type of commerce. As for the United States, it is only worth commenting on its clear advantage on an international scale in the development and implantation of the Internet.

According to Pallab (1996) small and medium-sized companies appear to have reaped greater rewards in the use of this new technology, as it enables them to increase the direct contact with a larger number of clients with all the inherent advantages.

We can also find certain drawbacks in the use of this medium. For Internet users connection stills poses a considerable cost, although in the short-term a change is foreseeable. Yet the greatest problem posed today is security, a principle obstacle to overcome for the definitive take-off of Internet transactions.

Theoretical bases
As the object of this work is to analyse the influence of relationship marketing on website design, in this section we will highlight those aspects that we deem more relevant for our study.

There is general consensus on considering Berry (1983) as the pioneer in conceiving relationship marketing, who from the scope of services stated that it consisted of “attracting, maintaining and intensifying customer relationships”. Later, Berry and other authors believed that the concept of relationship marketing could be applied to the rest of the sectors. This line of thought is shared by Jackson (1985) in the industrial sector, Christopher, Payne and Ballantyne (1991), Gummeson (1987), Grönroos (1990), Morgan and Hunt (1994) and Sheth and Parvatijar (1994).
Of these we highlight Gummeson’s contribution, whose theory is outlined within the so-called Nordic School. This author believes relationship marketing to be “marketing based on relationships, networks and interaction”3, and considers that it is found in the “total direction” centre of the sales organisation networks, the market and society. It is directed towards the development of long-term relationships, relationships that he qualifies as “winner – winner”, and establishes that the resulting value is created jointly between the parties involved.

Vandermewe adds a Russian doll to the Gummesson theory, whereby we can discover the following levels:

1. First level: Nano-relationships. Market devices are applied in-house, giving rise to seven different types of relationships.
2. Second level: Classical market relationships: The three relationships developed at this level rotate around the purchase – distributor – competition.
3. Third level: Special market relationships: this covers a wide range of relationships from the environment to non-commercial relationships.
4. Fourth level: Mega-relations: This last group considers the different relationships that can develop with entities that we can qualify as “superior”, due to their political and / or association nature.

These four levels result in thirty relationships that Gummesson analyses and develops in depth. Although the object of our study, websites, could be used for the development of all the relationship levels, we have decided to focus on the vendor-purchaser relationship, which is found within the second level: classical market relationships.

This relation qualified as “basic market relationship” could equally be outlined in the theories developed by the rest of the authors. Thus, Christopher, Payne and Ballantyne (1999) refer to them as “customer market” in their Six-Market Model. Kotler (1992) talks of “end consumer marketing”, and Morgan & Hunt (1994) call them “purchasers’ associa-

In short, we can state that all the relationship-marketing theories, with their differences, include this relationship, thus proving to be relevant.

Along this line of thought, a concept that takes on great significance is the creation of customer value. Authors such as Kotler, Cámara and Grande (1995) deem exchange and satisfaction as fundamental in marketing.

The creation of customer value stems from the acknowledgement of the importance of relationships, which affect both the content and result of the transactions. Focusing on the object of our study, we believe that a route to increase the capacity to generate value by the organisations is presence on the Internet via a website. New technologies facilitate interconnectivity and this enables them to know, even in an instant, the recipients of their products and services and consequently, they can better meet the customers’ needs, desires and expectations, with which they design and structure offers that are more “valuable” for the market.

For Bickerton, Bickerton and Pardesi (1996) the correct management of information enables organisations to reach and maintain important competitive advantages in three ways:

1) Better developing creativity and know-how outside the companies.
2) Defining their markets and characteristics with greater precision.
3) Consolidating more practical, logical and stable relationships with consumers, users and clients.

Reciprocally, consumers, users and customers also benefit from this method of communication to obtain further, more personalised information on company products, obtain responses to frequently-asked questions on products, services, addresses, etc., to obtain technical information for maintenance of their equipment, carry out on-line transactions (purchases, reservations, banking transactions, etc.) and finally process and modify orders. But most importantly, all these transactions can take place at any time of day, everyday of the week, 365 days a year. These are factors that add value to the global offer of the organisation.
Stimuli and advantages of Spanish users for purchasing on the Internet

- N/A: 2.1%
- To try: 3.8%
- Others: 4.0%
- The only means available: 5.0%
- No other site found: 5.1%
- Greater accessibility: 7.5%
- Speed: 13.0%
- Price: 18.6%
- Easy to use: 42.5%

Source: 3rd Study on E-commerce in Spain. AECE.

This is expressed by Soriano (1998) when saying that “the net... is an excellent ally for organisations concerned with continuously raising the added value offered to consumers, users and customers, at the same time as having many different applications in areas such as customer care, online restocking, market research, logistics, product development and such-like”. The same author indicates that the net can become a key element in establishing and consolidating the company-customer relationship in order to gain high levels of loyalty.

If we consider the process of action of relationship marketing in the following steps:

1. Selection of the customer.
2. Acquisition of the customer.
3. Retention of the customer.
and we think about the website as a means of access to the company by
the customer and to the customer by the company, how do we select those
that the company is interested in?. Everyday thousands of users log onto
the Net; including the most profitable over the long term (objective). It
will be necessary to outline a profile of the ideal *cyber consumer* and esta-
blish a strategy to make them visit the website. The most habitual proce-
dure according to Solé (2000) is the provision of free services, such as mail
accounts, chatrooms or information forums, auctions, etc. The strategies
vary depending on the type of company and the visitor profile.

Once the customer is attracted to the website, it is necessary to know
the most about their needs to be able to give a personalised offer and ensu-
re they regularly visit the site. The consumer is disloyal by nature, and we
cannot forget that the customer is only “one click away from the compe-
tition”. Gaining loyalty is of great importance. The strategies to develop
in this sense can take on various forms, from the most elementary such as
easy surfing on the Net and access to information on the product and
company, to the development of an entire series of complementary servi-
ces such as access to the most frequently-asked questions (FAQ), sugges-
tions box, direct communication with the company, situation of orders,
customer surveys, etc.

**Methodology**

For the development of empirical research a sample of 400 websites has
been taken, pertaining to different sectors of activity, selected from a list
of 1500 published by the magazine *Actualidad Económica*. The technical
specifications of the research are detailed in Table 1.
Table 1. Technical Specifications

<table>
<thead>
<tr>
<th>UNIVERSE</th>
<th>Infinite (&gt;100,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAMPLE SIZE</td>
<td>400</td>
</tr>
<tr>
<td>SAMPLE DESIGN</td>
<td>Random selection of sample units</td>
</tr>
<tr>
<td>SAMPLE UNIT</td>
<td>Companies with website</td>
</tr>
<tr>
<td>SIGNIFICANCE LEVEL</td>
<td>95.5%  Z=2</td>
</tr>
<tr>
<td>SAMPLE ERROR</td>
<td>5%</td>
</tr>
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<td>REALISATION DATE</td>
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</tr>
</tbody>
</table>

This study endeavours to analyse the influence of the relationship on website design from the following objectives:

- **O₁**: To study the measure by which the relationship has determined the website design.
- **O₂**: To determine whether it is possible to establish different profiles of organisations according to the website design.

Variables have been selected for this regarding: sector, existence of incentive⁵, information on products, use of the website to sell, log of visitors and types of customer services⁶.

The data has been treated via the application of the statistical package SPSS version 10.0 for Windows. The techniques used were: Simple tabulation, crossed tabulations and cluster analysis.

**Analysis of the results**

In relation to the first objective, we must start by highlighting that the sample selected includes companies pertaining to very diverse sectors, which generally and as an approximation we have grouped into: consumer goods (21%), services (60.2%) and industrial products (18.8%).

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(5) We considerer as Incentive, various strategies aimed at attracting the Internet user towards the website (chatrooms, free email, etc).

(6) Within this group we have considered the existence or not of: FAQ, suggestions box, company access via email and others.
Following the order set out in the theoretical bases, the first variable to analyse would be request for information of the website visitor, in order to obtain a profile of potential customers. Curiously, it is observed that in most cases (71.5%) this information is not requested.

Vis-à-vis the use of a certain device to attract the customer (known as incentive), we see that a majority (80.0%) uses this strategy.

In a joint analysis, we observe how most of the companies do not use the Internet as a sales device (62.8% do not sell). If we differentiate by sector, the companies that make the greatest use out of the website to sell belong to the services sector. Of the total companies that sell, 70.5% pertain to this sector.

Most of the companies of the selected sample consider the Internet as a communication device with the customer. In this sense, we observe how 95.5% of the companies in this study use the page to facilitate information on its products (one-way communication), and 87.5% have a device so that the customer can access the company via the website, with electronic mail being the most commonly used (two-way communication).

We can highlight how, of the companies that in some way introduce this activity into their website, 60.3% pertain to the services sector, as we just mentioned, which mainly use their website to sell.

To reach the second objective, we carry out a hierarchical cluster analysis, using the Ward link as conglomeration method and the Euclidean distance to the square as measure, applying it to the following variables: sector, existence of incentive, information on products, use of the website to sell, visitors register and types of customer services.

Analysing the resulting dendrogram, between the levels 0 and 10, five clearly differentiated groups were detected and are described in Table 2.

As we can observe, of the five, four are formed mainly by companies pertaining to the services sector and one of them (cluster 3) by consumer goods companies. Of the four first groups, there are two in which the service companies constituted an absolute majority (cluster 1 and cluster 2). In the two remaining (cluster 4 and cluster 5) there is a representative percentage of companies pertaining to the industrial sector.
Table 2. Description of the Clusters

<table>
<thead>
<tr>
<th>Variable</th>
<th>Group 1 (18% cases)</th>
<th>Group 2 (15% cases)</th>
<th>Group 3 (18% cases)</th>
<th>Group 4 (26% cases)</th>
<th>Group 5 (24% cases)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mode</td>
<td>%</td>
<td>Mode</td>
<td>%</td>
<td>Mode</td>
</tr>
<tr>
<td>Sector</td>
<td>Services</td>
<td>73,6</td>
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<td>91,7</td>
<td>Consumer goods</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Industrial P.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consume Information</td>
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<td>90,3</td>
<td>NO</td>
<td>98,3</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>SI</td>
</tr>
<tr>
<td>Incentive</td>
<td>SI</td>
<td>52,8</td>
<td>SI</td>
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<tr>
<td>Sales</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>SI</td>
</tr>
<tr>
<td>Customer Care</td>
<td>NO</td>
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<td>98,3</td>
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<tr>
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<td>SI</td>
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</tbody>
</table>

The first group, therefore, constitutes 73.6% by service sector companies, which are characterised by not using the website as either direct sales or two-way communication route with the visitor, likewise, it is the group that develops less of what we have called incentive to attract the cyber user.

The second, equally formed mainly by service companies (91.7%), uses the website to sell and includes the possibility of interaction with the user.

The third group comprises 97.2% production companies of consumer goods that are not sold via the Internet but have all the services that enable the user to access the company.

The fourth group comprising a combination of companies offering services (64.1%) and industrial products (35.9%), is characterised by not using the website to sell but offer the visitor the option of developing direct contact with the company.

Finally, the fifth group, is also formed by a combination of companies offering services (69%) and industrial products (30.9%), uses the website to sell and allows the user to be interactive.

A general trend in all the clusters is the use of the website to offer information on company products and the use of an incentive to attract the Internet user.
Conclusions
According to the functions obtained and for the analysed sample, we can conclude that:

- It is observed that in the design, most of the sites visited include a certain tool that denotes the influence of the relationship focus.
- Clearly differentiated profiles have been detected on the websites that respond to a different way of understanding the Internet as a relationship device with the market.

Notwithstanding, given the nature of any subjective form of the cluster analysis, we cannot extrapolate these results to the entire population. Therefore, we shall treat this study as an exploratory analysis that, with subsequent research, will endeavour to validate the solutions obtained.

Bibliography


