

A Strategic Royal Marketing Model on e-Business as a new generation marketing model

Takeshi Makino

Department of
Web Business Technology
The Kyoto College of
Graduate Studies for Informatics
m04w0024@m1.kcg.edu

Ryan Chiu

Department of
Web Business Technology
The Kyoto College of
Graduate Studies for Informatics
m04w0013@m1.kcg.edu

Ryota Adachi

Department of
Web Business Technology
The Kyoto College of
Graduate Studies for Informatics
m04w0015@m1.kcg.edu

Takao Nakaguchi

Department of
Web Business Technology
The Kyoto College of
Graduate Studies for Informatics
m04w0026@m1.kcg.edu

Hong Seung Ko

Professor,
Department of
Web Business Technology
The Kyoto College of
Graduate Studies for Informatics
h_ko@kcg.ac.jp

Abstract

Currently, e-Business marketing strategy practices are planned for gaining and maintaining customer loyalty, unfortunately these strategies do not achieve the success their e-Businesses desire. So why do these strategies not achieve the profitable results they seek? In e-Business, customers move easily from one web site to another with just one click. Therefore, it is difficult for companies to gain customers and even more difficult to retain them. Moreover, many companies are just carrying out regular marketing strategies trying to make customers loyal to companies. In this situation, companies should adopt a new marketing strategy encouraging their loyalty to returning customers so that they will do more business with them. We call this new marketing strategy "Royal Marketing". In this paper we discuss existing marketing problems in the e-Business community and the reasons that cause it. From there, we propose our Royal Marketing model as the only resolution to these problems. This model process strategically develops "Smart Interface" and "Thanks Mail" which are used as communication tools, and our "Relationship Point System" which is used as management tool. As the result, we verify that our Royal Marketing model performs much better in attaining and retaining customers.

Keywords: e-Business, e-mail, Marketing, Royal Marketing, Smart Interface, Thanks Mail, Relationship Point System

1. Introduction

From the early 90's, a new method of doing business emerged onto the global scene; this method became known as e-Business. In fact, many companies are becoming more and more aware that e-Business will be a significant tool for profit in the future, and they worry that if they do not begin to think and plan for e-Business transactions now, they will lose to competitors. As Bradshaw said "if you are not talking online business, plenty of your competitors will be, and you will be left fighting over a shrinking proportion of your market" [Bradshaw 01]. Already, we can see many companies investing and thinking about e-Business in order to gain an advantage over other companies. Meanwhile we can see that the market for the e-Business has grown rapidly also. According to the year 2004 U.S. Census Bureau Data [1], from 1999 until the present day,

e-commerce as a percent of total retail sales has grown from 0.7% to 1.8%. From the e-commerce revenue's view, 2001 second quarter revenue was 7.5 billion US Dollar, which, compared to the same quarter in 2004 was 15.7 billion US Dollar. In other words, transactions through e-Business have more than doubled within a very short period of time. Many scholars believe e-Business will continue to grow faster and faster in the next few years. Never the less, the increase in the amount of internet users is another reason why companies have turned their attention to e-Business. In 2004, Internet world stats [2] showed that the world Internet user population was about 819 million people. This figure represents approximately 12.7% of the entire world's population. The percentage of Internet users has jumped 126.4% since the year 2000. Furthermore, 2001 data statistics show that world on-line shopper populations are

around 15% of world internet users.

Current e-Business situations can be simply described as high cost for customer acquisition, low customer retention, and negative cash flow. Due to ICT infrastructures customers can gather mass information and move easily from one web site to another within a very short period of time. That is why e-Business needs to find a way to gain and maintain customer loyalty [Gefen 02, Gillenson 99]. Instead of companies trying this way, we see that most companies retain customers by spending a lot of money in advertisements or promotions. According to Machlis the average costs of attracting a single customer has been estimated by one source to amount to 34 US Dollar per customer [Machlis 99]. It may look cheap to some people, but it will become huge amount when the amount of customers is multiplied. Some other companies will try to segment their customer base and provide all necessary products or services to that individual customer. Some companies will even try strategic approaches like e-mail marketing or CRM (Customer Relationship Management) solutions. While there are many other ways to obtain and maintain customers in e-Business, most of them failed to keep customers and generate profits. Scholars like Stahl and Borenstein also point out why the current e-Business model has failed to attract and keep customers. This is because of the company's lack of experience conducting e-Business and an organizational fear of doing business over the Internet [Stahl 97, Borenstein 98]. Other than lack of experience and fear of doing e-Business, we believe most companies are trying to tell their customers to be loyal to them. This is the biggest failure of all as it forces customers to be loyal to companies no matter whether the company fulfills customer needs. In e-Business, customers will never be satisfied when they have so many competitors to choose from. Once other companies can provide faster, easier, and cheaper service than you can, customers will leave you in one-click.

We did two surveys (<http://web0.kcg.edu/prof/ko/rm/survey2005q1/>) on the Internet examining customer behavior and the new model we proposed. By quantifying reactionary behaviors, we are finding out how customers feel toward shopping online versus shopping off-line. Our first survey, conducted from December 2004 to January 2005, received 270 responses, and the age demographic was from mid-teens to 60+. Our second survey tested whether customers liked our model; particularly, seeing if our strategic model works for Internet shoppers. This survey was held from January 2005 to February 2005. In this survey, we received 112 responses. In the first survey results, we found that e-Business companies have a low rate of customer faithfulness due to the traditional marketing approach.

In order for current companies to be more profitable and competitive in future e-Business transactions, traditional business methods need to change. Companies need to understand that customers are the most important asset to e-Business. As former FCC commissioner Nichola Johnson's quoted "it used to be that people needed products to survive. Now products need people to survive" [Roll 03]. Therefore, companies need to put customers in the center and listen to customer concerns. They also must try their best to fulfill each customer's needs. Through e-Business, customers can easily move from one company website to another with a single click. Customers can leave a company website whenever they want to and no one will be able to stop them. In order for companies to build solid relationships with their customers, companies need to learn that they must be loyal to their customers. How can a company be so loyal? A company must treat customers as individuals, giving each customer their own customized services and products for a profitable long-term relationship. Bradshaw also said that "the web presence must engage customers as individuals, to ensure that they will return again and again." Once a personal relationship is formed, better data gathering online customers can be accomplished. Moreover, this process can be done in a very un-intrusive way to customers. If those who provide online services can collect more data about customers, they can understand those they serve more by customizing each experience. As time progresses, the services provided will meet each customer's needs specifically. Companies that are completely loyal to their customers will make them feel special while shopping, which breeds customer relationship. Customers will enjoy a higher satisfaction during each Internet shopping session [Devaraj 03]. In this paper, we propose the Royal Marketing brief concept and strategic models.

2. Royal Marketing Brief Concept

Keeping a long-term relationship with customers is important because the marginal return of revenue is low in e-Business. Don also explained "long-term customers entail lower servicing costs, generate increased revenues, refer other customers more frequently, and are always will to pay a premium, which consequently produces higher volume and margins" [Don 97]. Current marketing practices can not be called successful Internet marketing, as it has not able to attract and maintain customers. That is why a new marketing model will be needed. We will define this new model as Royal Marketing. This model's concept states that companies are loyal to their customers. Royal Marketing is built from a company's customer base, as these they are the foundation for the entire business structure. Companies must listen to a customer's order carefully, and fulfill their

needs at any time. Yet, current marketing practices do not achieve this. A company should take great interest in its customers, treating each of them like a King/Queen. In addition, they deserve the best in personalized services from the company. With this high priority placed on customers, this marketing model has words which show our high esteem in each customer. This is the reason why we choose the name Royal Marketing for our proposed model. Moreover, this new model is designed to work with e-Business. The main function of Royal Marketing is to build long-term trustworthy relationships with each customer. Also, giving customers a satisfying and pleasant Internet shopping experience will entice them to come back and shop again and again. The result: e-Business companies can generate revenue and customers can enjoy shopping on the Internet; a win-win situation.

Our basic concept is completely different from Loyalty Marketing, which is a marketing concept in which companies force customers to remain loyal to their specific companies and theirs alone. Most often companies who practice Loyalty Marketing will issue things like membership cards or point cards, hoping customers will come back again and again to collect points in order for exchanging a reward. However in our first survey, we discovered that a membership system worked better in an off-line store than in e-Business. Moreover, data also showed that customers did not have higher buying or retention rates toward a membership system offered by e-Business. With our new concept, we have proved that companies will gain better customer retention and maintain higher customizability through Royal Marketing.

To develop the Royal Marketing model successfully, one will need marketing strategies never been developed before. We consider the current existing e-Business marketing strategy problems and consider why they fail. From there, we suggest our strategy blue print as follows: "Smart Interface", "Thanks Mail", and "Relationship Point System". For Smart Interface and Thanks Mail, they will work as communication tools with customers which will foster habits of shopping with a company. For our Relationship Point System it will work to maintain a lasting customer relationship with Royal. We will be discussing, in further detail, these three strategies that fully develop the Royal Marketing Model in e-Business.

3. Smart Interface

3.1 What is the Smart Interface?

As mentioned above, in an e-Business environment it is hard to get customers because visitors can move so easily. In order to get customers more effectively, a company must provide a more convenient interface than others. Currently employed by

Internet shopping sites, various user interfaces are developed and provided to urge visitors to access with the site and buy. However, many visitors feel inconvenienced to have to use current interface models. An interface model which solves this inconvenience has not yet invented. The reason for this is that these current interface models are not designed for visitors to use conveniently and quickly. Through the Royal Marketing Model, in which a company is loyal to their customers, we propose a new interface environment developed to be as visitor-friendly as possible. This interface simplifies the information input process reducing the information that visitors will be requested to provide. It also improves convenience for regular customers by greatly speeding up the see and buy process. We call this interface as Smart Interface.

3.2 Problems with current interfaces

Intuitive user interface is very important because the way of online communication to consumers is via the user interface. The Smart Interface targets the following three problems. By solving these problems, a company will be able to acquire more customers using e-Business.

First, a company must open their shopping site for non-registered visitors. During our second survey, 56% of respondents wanted to search items, 27.2% wanted to buy items and 29.6% wanted to use all functions of shopping site. According to this survey, closing shopping sites for non-registered visitors will take searching or buying opportunities away.

Second, too much information input not only causes visitors inconvenience, but also loses them. With current online interfaces, throughout searching and buying products, visitors are forced to input their information. At the beginning of the process, when visitors try to create a user account, they are forced to input information such as usernames, passwords, real names, e-mail addresses, ages, genders, real addresses, and so on. Requesting visitors to input so much information before searching and/or buying is an inconvenience for most visitors. What is worse is that this information is often completely needless or temporarily needless at the time. Actually, according to our second survey, 51.2% feel inconvenienced to have to input information at user registration screens. Reducing information input quantity is very important in creating an interface environment that visitors feel unobtrusive. In addition, security risks may occur when a company requests that visitors input their information. Recently, information leaking problems are happening often and a concern about security risks while inputting or transmitting sensitive information is quite high. According to our first survey, 65.2% say that information leaking is their great concern when online using Internet shopping sites. There-

fore, gathering user information is itself a matter of visitors. Furthermore, companies are forced to invest in security systems to prevent information leaking. As a result of our studies, the less information input required the better visitors and companies can improve the convenience and security of their user interface.

Lastly, the current interface doesn't work well for regular visitors. All companies which manage shopping sites want visitors to be regulars. But current interface systems which provide up-selling or cross-selling marketing don't always work well for regular customers, it can't distinguish between various customers buying reasons. According to our second survey, 64.8% feel inconvenienced while using such interfaces. For example, a customer visits a shopping site and buys books for his work, his hobbies, and as a gift for his wife. After a while, book recommendation pages of his account display various categories of books and a few books in each category, but he can't get a plenty information about specific buying reasons from those pages anymore.

3.3 Resolutions for these problems

At Smart Interface, we propose the following resolutions to the aforementioned problems. These resolutions include two suggestions and three new interface factors.

First, a company should provide as many functions for visiting shoppers of an internet shopping site as they do for registered shoppers. As mentioned above, a company can increase the amount of visiting shoppers 31% by providing all functions to non-registered visitors.

Next, a company should select necessary information input factors carefully and request only information that is really needed. Then the inconvenience of inputting necessary information regarding visitors and the security risks of information input can be reduced.

Third, we propose a new interface factor that generates a default username and default password automatically. This interface factor is based on the fact that the username and password are only necessary for identifying visitors. In our Smart Interface, at first, information requested for visitors at the beginning, during user registration, are limited to the username and password. Based on that, a default username and a default password are automatically generated. We can then verify that a visitor can register in one-click; the inconvenience of inputting visitor information and the associated security risk inputs are nullified.

Now we will talk about an interface factor that creates an e-mail account for visitors that to contact them with. Recently, Internet users have been suffering from mass SPAM e-mails.

Many Internet users receive tens of harmful e-mail each day that are of no concern, such as porno e-mail, phishing e-mail and so on. So for Internet users, the fewer places that they have to input their e-mail address the better. Moreover, there are some inconveniences accompanied with inputting an e-mail address. Our Smart Interface generates an e-mail address automatically to a visitor and provides him/her with a choice to use this address or not. When a visitor uses this generated e-mail address, one can keep his/her own e-mail address secure and the input process is voided. Using this interface factor, the inconvenience of inputting visitor's information and security risks on information input can be nullified.

Finally, this interface factor makes a distinction of customer's buying reasons. Our Smart Interface changes the information displayed on the web browser as the customer buys more products. This change can be seen on the recommendation item list, as well as the shipping address and so on. The selection list box of buying reasons is displayed on the web browser, and as a customer selects his/her buying reasons, information for that is generated. This information is generated based on the history of each customer's buying data, such as the number of items bought and how frequently certain items were viewed, and which buying reason was selected as the customer buys items. Through this interface factor, the feeling of annoyance in regular customer is avoided.

3.4 Validity of Smart Interface

According to our second survey, 9.6% of participants selected very useful and 24% selected somewhat useful in regards to an auto-generated default username and password. So by implementing this feature, Internet shopping sites can greatly improve user interface usability for 33.6% of visitors. 9.6% participants selected very useful and 21.6% selected somewhat useful for a default e-mail address auto generation. 20.8% of participants selected very useful and 40.8% selected somewhat useful in regards to managing shopping history through a customer's buying reasons. From these results, we suggest conclusively that our Smart Interface factor is effective.

4. Thanks Mail

4.1 The problems and the ideal image of e-mail marketing in e-Business

Today, the most widespread communication tool on the Internet is e-mail. All over the world, more than 60 million people have sent more than 1 billion e-mails every month [Cliff 01]. In e-Business, e-mail is the only tool which can make direct communication with customers. Under this environment, e-mail that can be customized for each of the customers and sent

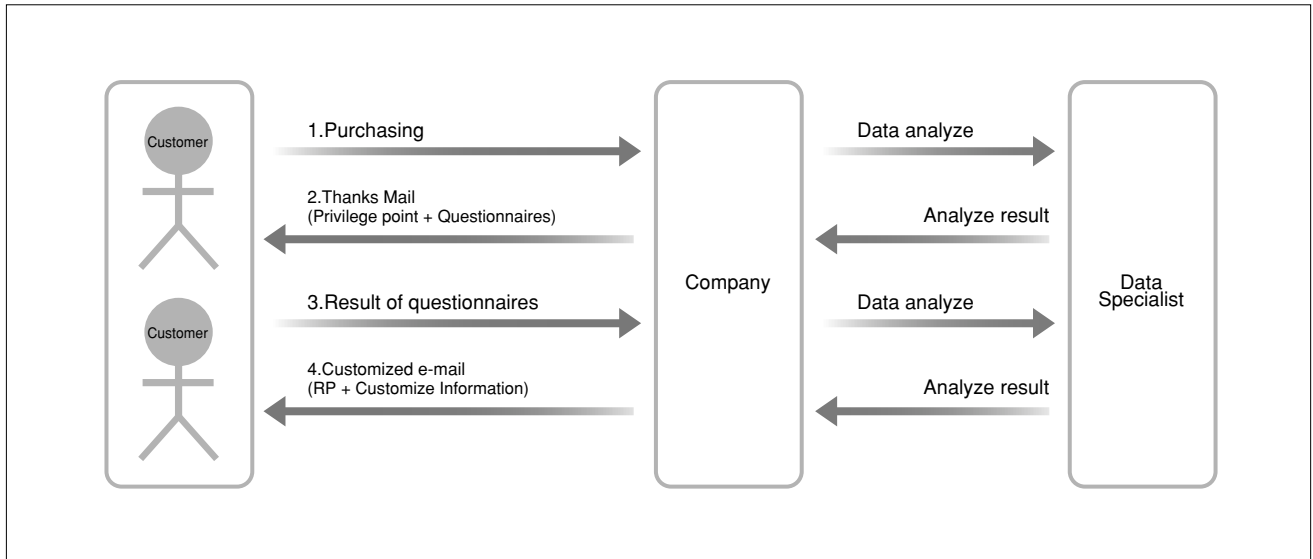


Figure.1 The flow structure of Thanks Mail

from a company directly to an individual's PC at low cost in comparison to other marketing practices is a very worthy marketing tool. However, many companies do not utilize e-mail effectively. Many companies recognize e-mail only as a tool that is not restricted by time and space and can be sent at relatively low cost. As a result, almost all e-mails from companies become less and less attractive to each customer. To make matters worse, it is recognized as SPAM by customers [Thomas 02] and customers dump it without even opening it. This can be proved from the results of our second survey.

In what ways do companies send e-mail to their customers and how do they expect customers to behave? First, companies have to recognize e-mail as follows [Cliff 01].

1. e-mail is a powerful tool that builds a confidence in a relationship between companies and their customers.
2. Companies have to know what their customers are thinking through e-mail.
3. The more companies know about their customers individually, the more companies can offer customers needs.
4. If customers are pleased with the e-mail service from the company, customers will check e-mail and will access the company's web site.
5. If the average time that a customer accesses the company web site increases, they can occupy more of a customer's time than a competitor occupies.

When these five points have been understood clearly, companies should send e-mail to attract their customers. Moreover, companies have to make their customers understand that it is attractive to have e-mail as the initial contact made by them, because customers do not get interested in e-mail which they

think it is SPAM at once. It can be proved from the results that they just get rid of it.

In this chapter, the e-mail service as a communication tool based on the concept of Royal Marketing is proposed as Thanks Mail.

4.2 Structure of Thanks Mail

We suggest : the flow structure of Thanks Mail (see Figure 1) and explanation of it.

Step 1: When a customer's buying actions are revealed, a company will analyze the details about the buying behavior. The company guesses their customer's thinking from the results of the analysis, and prepares some questions which further analyze the customer's reasons for buying.

Step 2: The company sends e-mail called Thanks Mail to their customer, which contains questions and records several percent of the purchase price offered as "Privilege Point" which can be used for re-buying different products or services.

Step 3&4: If the customer who received Thanks Mail replies to questions from the company, the customer can get "Relationship Point". Relationship Point determines the degree of service a company provides to their customers. This will be explained in more detail in the next chapter. The company can send customized e-mail which is tailored to their customer's thinking by investigating the reply of their customer to the questions posed.

4.3 Features and validity of Thanks Mail

The greatest feature Thanks Mail provides is creating mass personalization possible through e-mail in an e-Business. The customized e-mail service will support the opportunity for

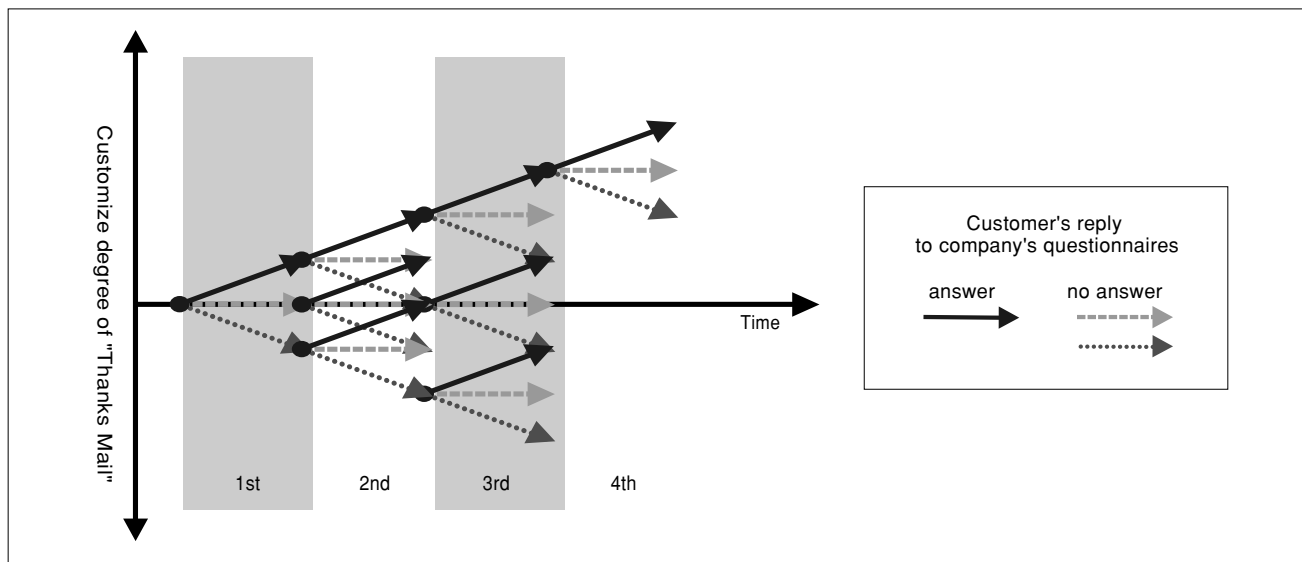


Figure.2 The Flow of Customization Degree

customers to access the company web site, and will increase the possibility that customer will buy again. To accomplish this, companies must know their customer's reasons for shopping and have to offer the information according to it [Don 97]. Customers do not need anything more than valuable information.

Value added e-mail is another great feature of Thanks Mail which shows gratitude to a customer. Offering a service in which the company becomes useful to a customer's needs builds a better relationship. A relationship with integrity between the company and customers always gives the company more profits [Keki 96]. Therefore, companies need to recognize that their customers do not have to cooperate with them to help them show profits. The company must show gratitude for customer cooperation through valuable e-mail.

The more frequent the Thanks Mail responses, the higher the degree of customization. Therefore, the bond between company and customer is strengthened more. Figure 2 expresses this idea graphically.

Our second survey shows the following results. To the question "Today, how do you feel about e-mail sent from a company?" 47.2% of respondents answered that it was troublesome while 8.8% said that it was welcoming. Furthermore, to the question "How do you deal with the e-mail sent from a shopping site?" 68% of respondents did not check the contents of e-mail, 1.6% accessed the company web site from which the e-mail was sent. However, to the question "If the e-mail from a company is customized and had valuable information within, how would you treat the e-mail?" 54.4% of respondents would check the contents of the e-mail, and 12.8% said they would access the web site of that company via the e-mail.

Lastly, to the question, "If the questionnaire is contained

in an e-mail sent from a company, do you reply to the questionnaire?" 15.2% of respondents replied "Yes" to the questionnaire, 84.8% did not respond. However, to the question, "If privileges, such as a coupons and discounts, can be acquired by replying to a questionnaire, would you reply to the questions?" 62.4% of respondents said they would answer, 37.6% would not answer. From these results, we find Thanks Mail to be a viable solution.

5. Relationship Point System

5.1 About Relationship Point

The basic concept of Royal Marketing is that a company remains loyal to their customers. However there is a limit of resources available to e-Business companies who provide such services to their customers. That is why a company must segment their customer base separating those who are profitable, giving them high quality service, from those who are not. Yet, suppose that a company service is valuable; a customer will visit the company web site again and again. As a result, an excellent customer will bring tremendous profits to the company.

In this chapter, we propose Relationship Point System (RPS) as a way for companies to segment excellent customer from regular one. RPS not only assists Thanks Mail, but becomes a much more powerful tool for building a long-term partnership with its customers. In addition, RPS is also the tool through which a company can visualize how much value a particular customer has brought to the company.

In RPS, the importance of Relationship Point (RP) is varied depending on a customer's buying action and behavior. The sum of those points will be determined as RP. By observing RP, a company can decide how high a level of service to pro-

vide to that customer. Even if two customers buy exactly the same products, a customer who has higher RP, will receive much better service from company. It is very important for company segment a customer properly and offer suitable service. By doing so, a company can build a strong connection with customers. Furthermore, the first 20% of customers, who have high RP, will be considered to be the most valuable customers, according by Pareto's Law. In other words, RPS will support companies by building better associations with customers in e-Business.

In e-Business, customer can move easily between web sites with one-click. Therefore customer buying actions and behaviors are hard to grasp. For e-Business, an understanding of its customers is of the utmost importance as, examining only by Recency, Frequency, Monetary (RFM) analysis will not be enough for segmenting customers. It is very dangerous for an e-Business if it can not segment excellent customers from others. Based on the RFM analysis we added another two factors; Visitor Frequency and e-Mail Frequency, making this model more suitable for an e-Business environment.

Visitor Frequency (VF) is the factor of point weight that shows how often a customer visits the company web site. It is important because customers often access a web site many times before buying anything. If the customer visits the web site very frequently, it indicates that customer has a high interest and concern about the company. That is why VF is a necessary factor for analyzing e-Business customer traits.

e-Mail Frequency (MF) is the factor point weight that shows how often a customer responds to company e-Mails. From the previous Thanks Mail strategy, we realized that those customers who will respond to e-mail frequently are very important to the company. As customers regularly reply to the e-mail, the company will be able to understand more about them. Therefore, adding MF to RFM analysis helps companies segment their customers. This not only looks at their buying power, but also customer behavior.

5.2 Relation between VF, MF and RFM

As previous demonstrated, the RFM analysis will not be enough to examine e-Business customers. That is why adding VF and MF into the RFM analysis, is so essential to e-Business. VF is much more important than MF because e-Business buying processes often begin with customers who visit the web site. MF can only occur after the customer buys the products. Therefore, VF is greater than MF when calculating Relationship Point.

In the RFM analysis, we suggest that Frequency factor is

much important than Monetary and Recency factors. This is because the Royal Marketing model has the function of building associations with the customers, and whoever comes to visit the web site often will make those important connections easier. Although the monetary factor is important for today's business, the Royal Marketing model believes that it must not be more important than the Frequency factor. Since customers can move so easily to another web site in a very short time, customers can come and go without being recognized by company. That is why the Recency factor will be considered less important.

Because the Royal Marketing Model is trying to analyze e-Business customers, VF and MF analyze customer Internet behavior, not their buying reasons. Therefore VF and MF have much heavier degree of importance than Recency, Frequency and Monetary. In other words, this correlation can be easily explained as $VF > MF > F > M > R$.

5.3 How Relationship Point is Calculated

Relationship Point will be calculated by using MF, VF, F, M and R as variables. Each factor will be multiplied by alpha (α). The relative beside each factor will use α_i , to denote the level of importance. As previous shown $VF > MF > F > M > R$, and then multiplying each factor by their own level of importance, their result will be RP1. In order for RP to be between the range value 1 to 10, RP1 will multiply by β for mathematic adjusting. The RPS formula is as following.

$$RP = RP1 \times \beta$$

$$RP1 = (VF \times \alpha_5) + (MF \times \alpha_4) + (F \times \alpha_3) + (M \times \alpha_2) + (R \times \alpha_1)$$

$$\beta = 1/3$$

$$\alpha_i = i/5 \quad (i=1 \sim 5 : i \text{ is an integer})$$

We perform three demonstrations that test the RP calculation shown in table. It is mainly trying to find out whether adding VF and MF into RFM analysis will yield better results in the segmentation of customers. First, set F, M, and R as constants and VF, MF as variable factors. All factors have to be any value from 1 to 10. For constants, a factor of 7 is chosen for this demonstration. Comparing DEMO1 and DEMO2, the customer who has the higher VF will have a much higher RP value. Furthermore, comparing DEMO1 and DEMO3, the customer who has the higher VF does not always mean that he/she will get the higher RP value. As a result, if two customers buying the same products from the company web site only use the RFM analysis, the company will not able to distinguish who is an excellent customer. However when using the Relationship Point System, the company will be able to do further analysis regarding the customers. Even though customers are buying the

same products, the RP values will be different because of the VF and the MF value.

$$\text{DEMO1:} \{ [9 \times (5/5)] + [1 \times (4/5)] + [7 \times (3/5)] + [7 \times (2/5)] + [7 \times (1/5)] \} / 3 = 6.07$$

$$\text{DEMO2:} \{ [2 \times (5/5)] + [7 \times (4/5)] + [7 \times (3/5)] + [7 \times (2/5)] + [7 \times (1/5)] \} / 3 = 5.33$$

$$\text{DEMO3:} \{ [6 \times (5/5)] + [5 \times (4/5)] + [7 \times (3/5)] + [7 \times (2/5)] + [7 \times (1/5)] \} / 3 = 6.13$$

	VF	MF	F	M	R	RP value
DEMO1	9	1	7	7	7	6.07
DEMO2	2	7	7	7	7	5.33
DEMO3	6	5	7	7	7	6.13

Table: RP Demonstration Result

It is very important for companies to understand the correct way to evaluate a customer's value. Therefore a company needs to use RPS to find out the real value of each customer, providing a closer and more personalized service to them.

Thus, in order for the company to survive in e-Business, it is required that company value the association with each customer and satisfy an excellent repeat customer with personalized service extras.

6. Conclusion

In e-Business, marketing will become more and more important in the future. The validity of the traditional marketing method in off-line venues is limited, so a new concept of marketing is necessary. Our main concept is "a company must be loyal to their customers". That is acquiring the customer without losing within one click. Using this concept, we developed a series of strategic marketing models. The first, Smart Interface, raises interface ease-of-use and aims to satisfy a customer's needs. The second, Thanks Mail, is aimed at building a reliable relationship between a company and its customer by providing customized e-mail. The third, RPS, is shows how a company can evaluate a customer correctly and strengthens a dependable relationship with the customer. In order for a company to be successful in e-Business, we have proposed that a company must provide the customer with the most options throughout these three models.

We are sure that this strategic model will bring about an enormous effect on e-Business marketing. Moreover, through our research, we are sure that it is what leads the way to new and innovative online marketing techniques.

Reference

- [Borenstein 98] Borenstein, N., "Whose Net is it Anyway?" Communications of the ACM. Vol. 41, No. 4, pp. 19-21, 1998.
- [Bradshaw 01] Bradshaw, David, & Brash, Colin, "Managing Customer Relationships in the e-business Word: How to Personalize Computer Relationships for Increase Profitability." International Journal of Retail & Distribution Management. Vol.29, No.12, pp. 520-529, 2001.
- [Cliff 01] Cliff Allen, Deborah, Kania, & Beth, Yaeckel, "One-To-One Web Marketing: Build a Relationship Marketing Strategy One Customer at a Time", John Wiley & Sons Inc, NY, 2001.
- [Devaraj 03] Devaraj, Sarv, Fan, Ming & Kohli, Rajiv, "E-Loyalty: Elusive Ideal Or Competitive Edge?" Communications of the ACM. Vol.46, No. 6, pp. 184-191, 2003.
- [Don 97] Don, Pepper, & Martha, Rogers, "Enterprise One to One: Tools for Competing in the Interactive Age" Bantam Dell Pub Group, NY, 1997.
- [Gefen 02] Gefen, David, "Customer Loyalty in E-Commerce." Journal of the Association for Information Systems. Vol. 3, pp. 27-51, 2002.
- [Gillenson 99] Gillenson, Mark L., Sherrell Daniel L., & Chen, Lei-da, "Information Technology As the Enabler of One-to-One Marketing." Communication of the Association for Information Systems. Vol.2, No.18, pp. 02-40, 1999.
- [Keki 96] Keki, R., Bhote, "Beyond Customer Satisfaction to Customer Loyalty: The Key to Greater Profitability", Amacom Books, NY, 1996.
- [Machlis 99] Machlis, S. "Web Retailers try to keep their hits up" , Computerworld. Vol. 33, No. 6, pp. 48, 1999.
- [Roll 03] Roll, Harvey, "How to Improve Profits and Cut Costs Using a Customer Loyalty Programme." An @1 White Paper. Vol. 27, pp. 02-05, 2003.
- [Stahl 97] Stahl, D., "The Wave of the Future." Mortgage Banking. Vol. 57, No. 9, pp. 80-88, 1997.
- [Thomas 02] Thomas, A., Foley, "Web Personalization ", Nikkei Business Publications Inc, Tokyo, 2002.
- [1] <http://www.census.gov/mrts/www/current.html>
- [2] <http://www.internetworldstats.com>