

Organising a framework for customer value management in online media relationships

Another important factor is the difference between medium and message. For example, a company's message would be better for the press than for a visual medium such as television or cinema.

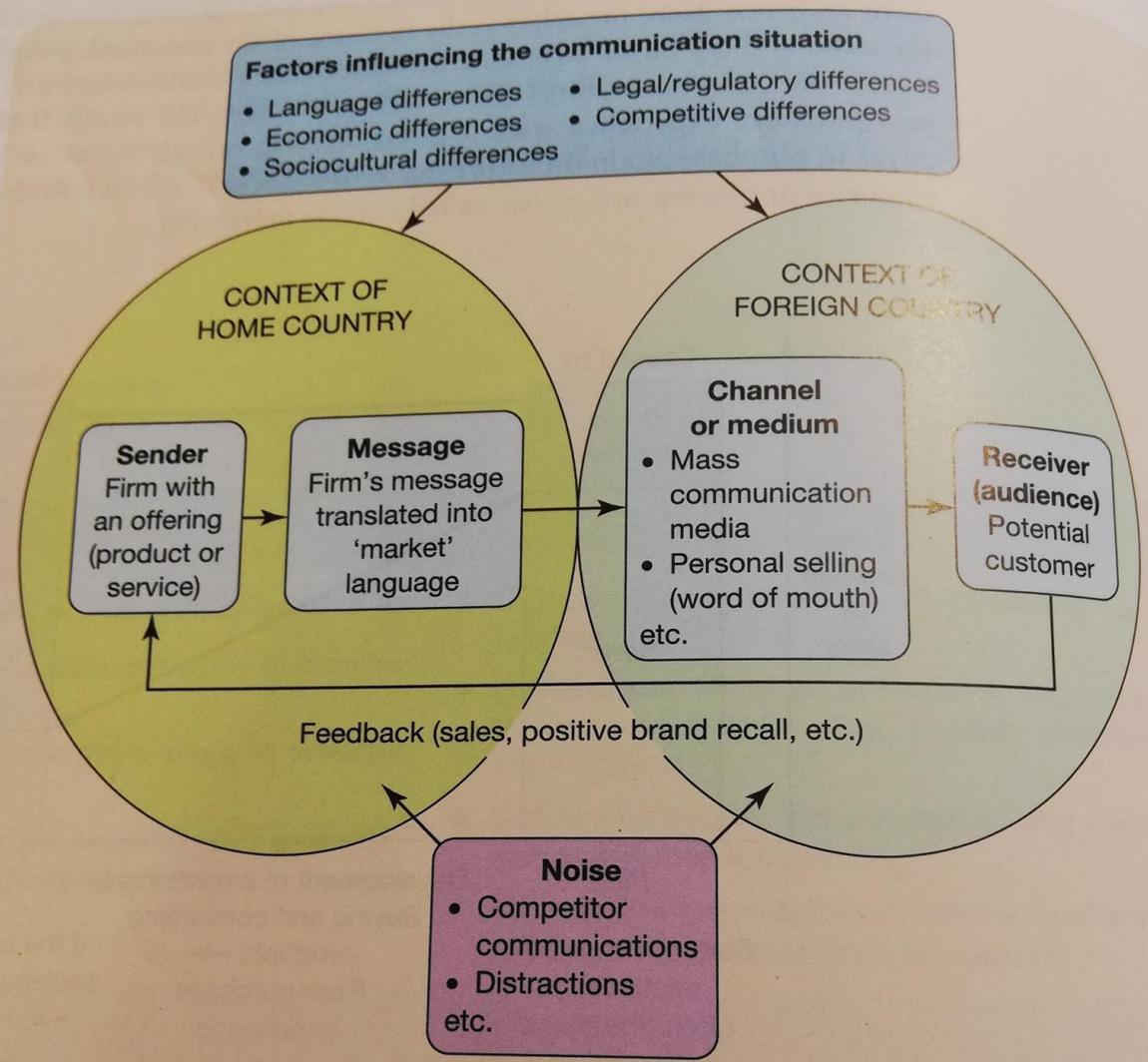


Figure 17.2

Elements of the international communication process

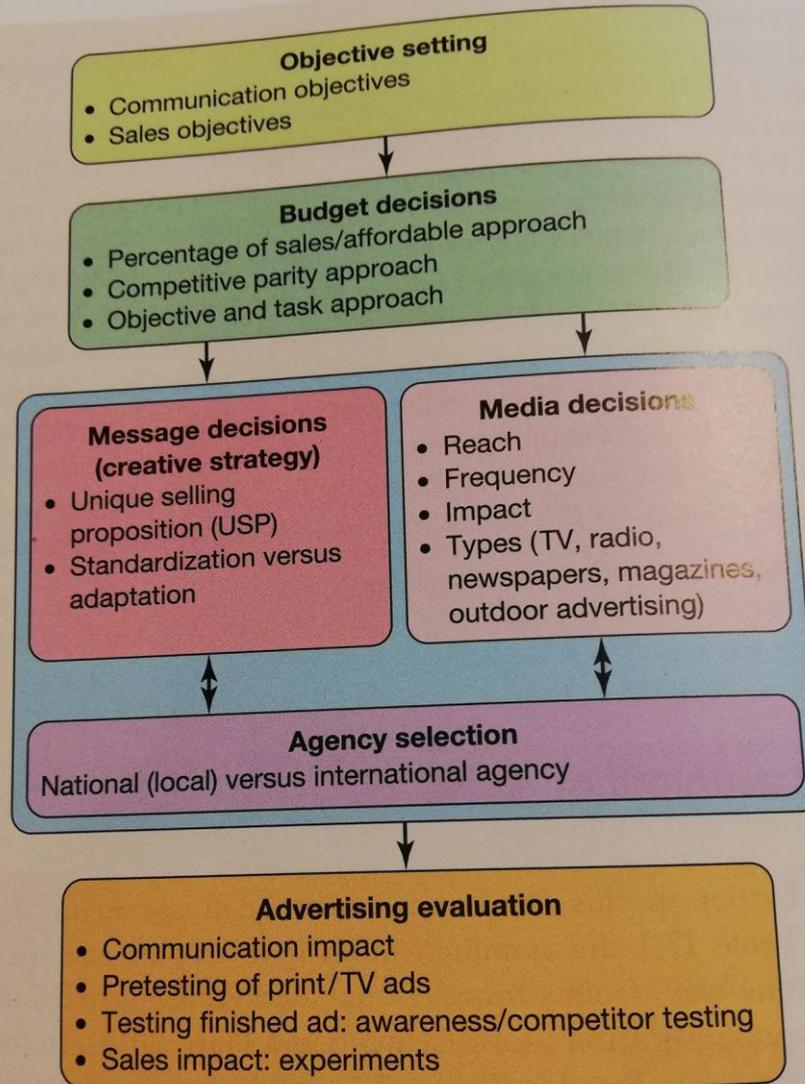


Figure 17.3

The major international advertising decisions

(one-way) communication tools (Centeno and Hart, 2012), communication tools (Centeno and Hart, 2012), communication tools, listed in Table 17.1, will be further examined.

Table 17.1 Typical communication tools (media)

One-way communication			Two-way communication	
Advertising	Public relations	Sales promotion	Direct marketing	Personal selling
<ul style="list-style-type: none"> • Newspapers • Magazines • Journals • Directories • Radio • Television • Cinema • Outdoor 	<ul style="list-style-type: none"> • Annual reports • Corporate image • House magazines • Press relations • Public relations • Events • Lobbying • Sponsorship • Celebrity endorsement • Product placement • Ambush Marketing 	<ul style="list-style-type: none"> • Rebates and price discounts • Catalogues and brochures • Samples, coupons and gifts • Competitions 	<ul style="list-style-type: none"> • Direct mail/database marketing • Internet marketing (WWW) • Telemarketing • Mobile marketing • SMS • Viral marketing • Social media (Facebook, Twitter, LinkedIn, etc.) 	<ul style="list-style-type: none"> • Sales presentation • Salesforce management • Trade fairs and exhibitions

... is minimized. ... more quickly in a new mar-
 ... These are employees transferred from one country to another.
 They tend to be born in one country, employed by a firm based in another country and
 working in a third country.

Table 17.5 Advantages and disadvantages of sales force types

Category	Advantages	Disadvantages
<i>Expatriates</i>	<ul style="list-style-type: none"> Product knowledge High service levels Train for promotion Greater home control 	<ul style="list-style-type: none"> Highest costs High turnover High training cost
<i>Host country</i>	<ul style="list-style-type: none"> Economical High market knowledge Language skills Best cultural knowledge Implement actions sooner 	<ul style="list-style-type: none"> Needs product training May be held in low esteem Importance of language skills declining Difficult to ensure loyalty
<i>Third country</i>	<ul style="list-style-type: none"> Cultural sensitivity Language skills Economical Allows regional sales coverage May allow sales to country in conflict with the home country 	<ul style="list-style-type: none"> Face identity problems Blocked promotions Income gaps Needs product/company training Loyalty assurance

Source: reprinted from *Industrial Marketing Management*, Vol. 24, Honeycutt, E.D. and Ford, J.B. (1995) 'Guidelines for managing an international sales force', p. 138, Copyright 1995, with permission from Elsevier.

The advantages and disadvantages of the three types of international sales force are summarized in Table 17.5.

Expatriates and third-country nationals are seldom used in sales capacities for long periods of time. They are used for three main reasons: to upgrade a subsidiary's selling performance, to fill management positions and to transfer sales policies, procedures and techniques. Most firms use local nationals as their sales personnel. The

Market communication strategies change dramatically in the online world. On the internet, it is easier than ever to actually *communicate* a message to large numbers of people. However, in many cases, it is much harder for your message to be heard above the noise by your target audience. Various strategies for conducting online marketing have been developed in the past several years – from the most common (website linking) to the most expensive (banner advertising) to the most offensive (e-mail spamming), and everything in between. It is almost certain that a continual stream of new market communication strategies will *emerge* as the internet medium evolves.

How, then, can a *web audience* be created? One of the new possibilities in this field is *social media marketing*.

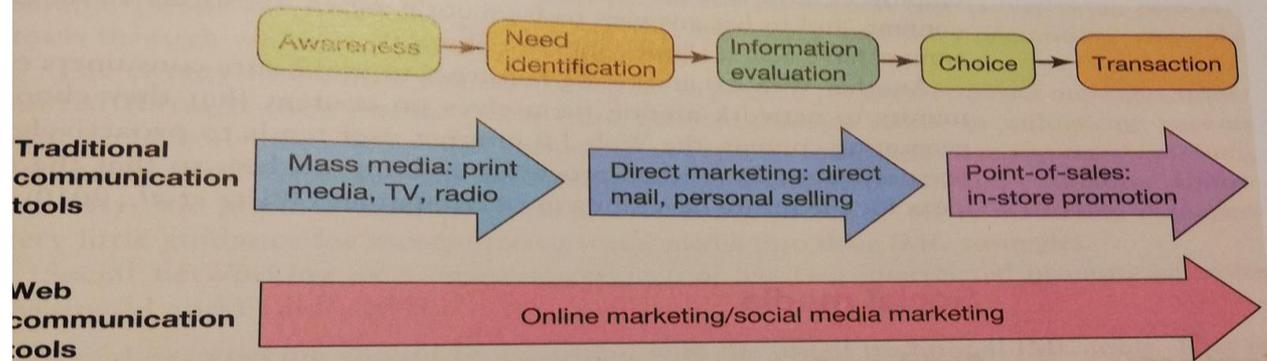


Figure 17.6 The role of internet communication in the customers' buying process

l media marketing

When you sell and buy you will experience that it is part of a social process. It involves not only a one-to-one interaction between the company and the customer but also many changes of information and influence among the people who surround the customer. Consumers are much more trusting in friends and colleagues than they are in TV advertising or corporate communication. **Word-of-Mouth (WoM)** has shown many more times more effective than traditional print advertising in impacting brand switching decisions. Word-of-mouth and conversations can take place off-line and online. Like any conversation in a café, the content varies. Some conversations are serious and some fun, some are happy and some angry and intense. In online conversations, whether com-

community of interest. This may challenge the conventional 'brand manager' role, stating that managers must keep control of brand image and messaging.

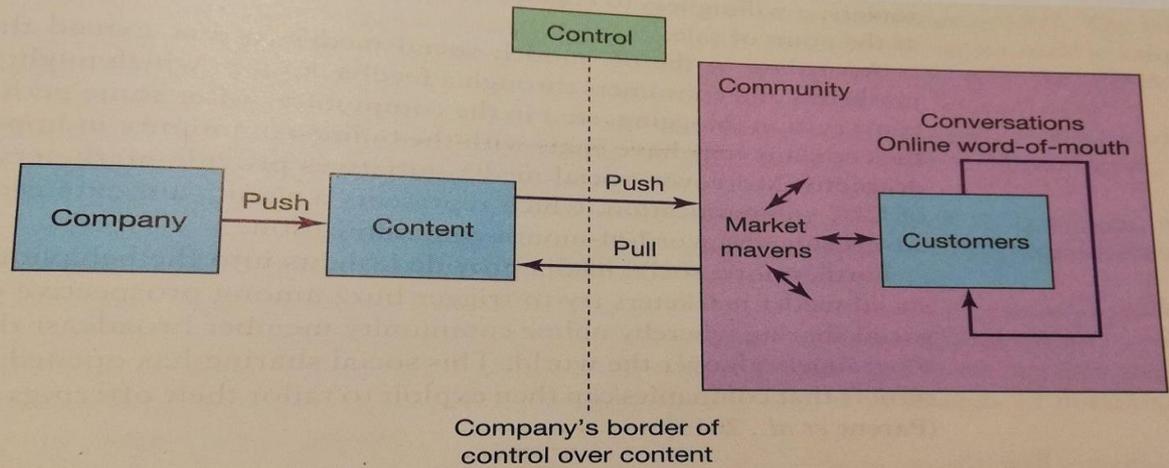


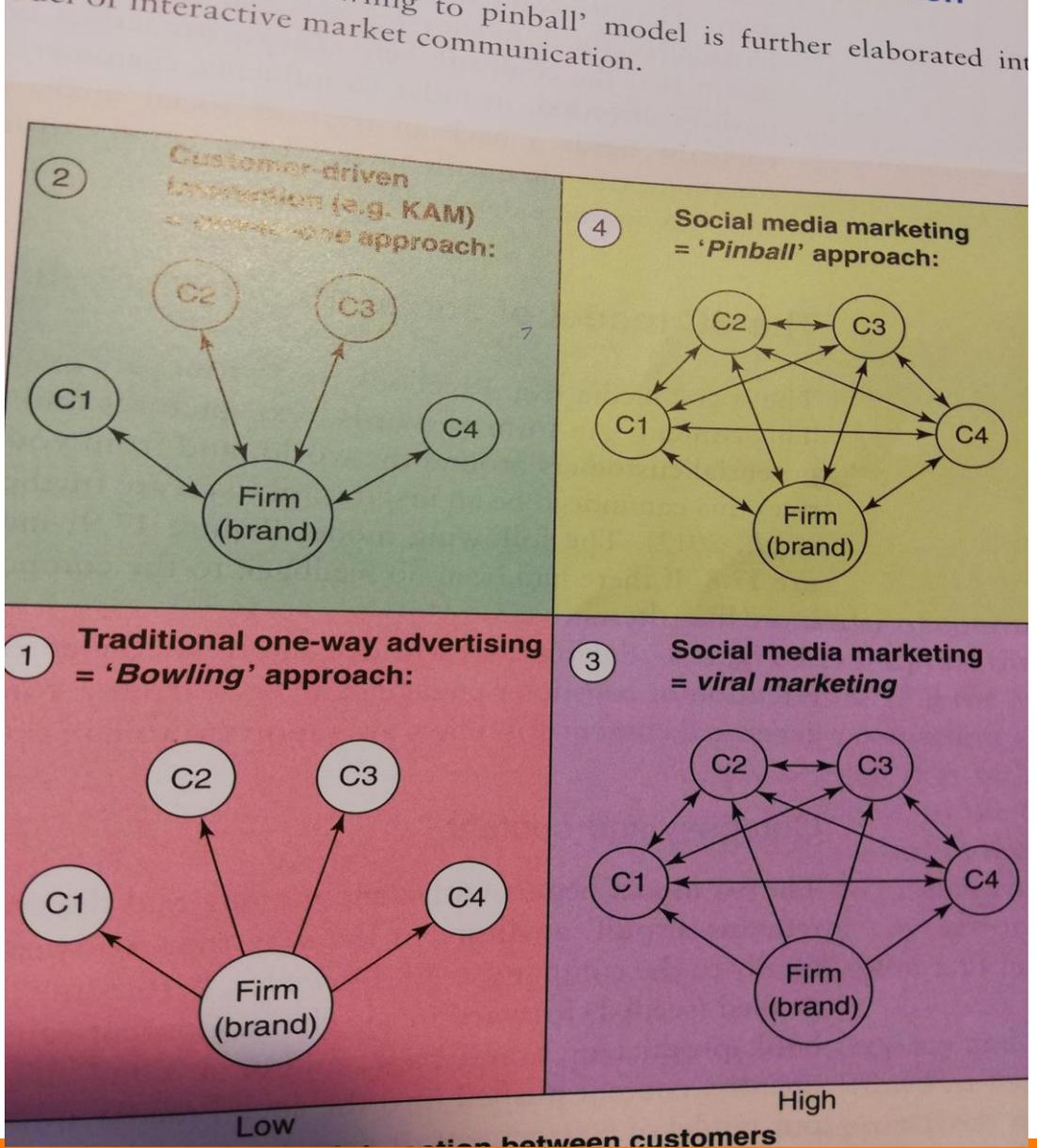
Figure 17.9

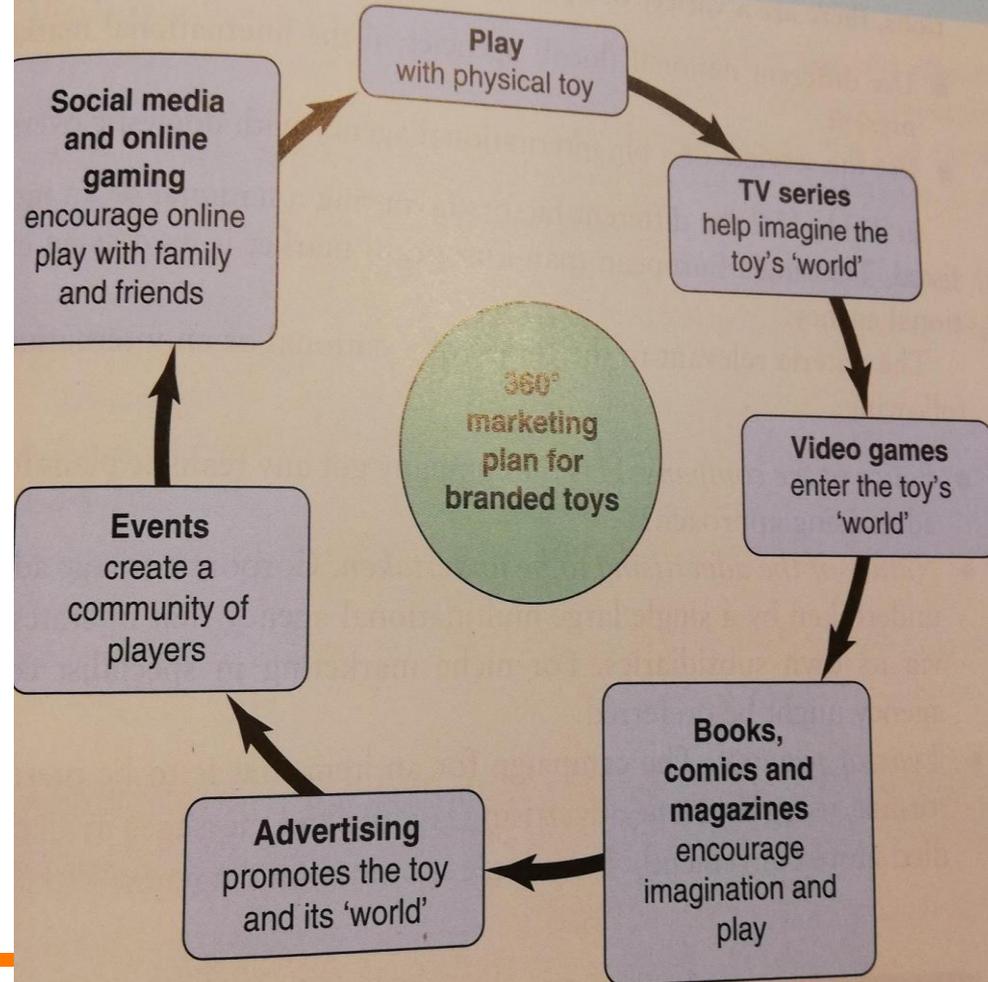
The 6C model (company, content, control, community, consumers, conversations)

Source: based on Parent *et al.* (2011).

Community

The company creates content and pushes it over the symbolic border of control to the other side, where a community of interested consumers now takes it up. At this point, communication becomes bidirectional. The use of arrows in Figure 17.9 for push and pull attempts to reflect the 'give-and-take' that goes on between a community and the company, represented by the content creators. In its simplest form, it is reflected in content marketing: posting reactions, on Facebook or YouTube, to the content. About 'customer behaviour' in the market





Introduction

- Focus on customer relationships again
 - Rapid digitalisation
 - Consumption changes
- Customer loyalty ever more difficult to achieve
- → customer centric direction – should go towards interactive modes
- How is the value created for a company through online customer relationships and how could the value be measured and managed?

Customer value management

- Aims
 - To maximise the value a company's customer base by analysing individual level data on customers
 - To fully exploit the value of current and future customers
 - To build long-term vision rather than short-run profits
 - To include monetary and behavioural data

Customer engagement

- = Strategic way of
 - Valuing each customer relationship
 - Acknowledging the various aspects of value created
 - Enduring over time for the company
- Customers as
 - Buyers
 - Co-creators
 - Actors
 - Part of a network

Customer relationship management

- Comprehensive strategy and process of
 - Acquiring
 - Retaining
 - Partnering with customers
- To create superior value for the company and the customer
- Customer lifetime value, customer equity, referral value, influencer value, customer knowledge value

Total Customer Value in online relationships

- Monetary value
 - Customer purchase value
 - Customer lifetime value
 - Registration of an online customer is the beginning of a customer relationship
- Social value
 - Customer referral value
 - Customer knowledge value
 - Customer influencer value
 - Co-creation

Total Customer Value in online relationships

- Visitor value
 - Page impressions
 - Frequency of use
 - Recency of use
 - Volume of use
 - Session duration
 - Page views per session
 - Visits per visitor

management of an online news channel is one that nurtures a loyal customer base of

employees more generously, provide investors with superior cash flows, and reinvest more

TABLE 2:
Framework for Managing Customer Value in Online News Channel Relationship

Concept of Customer Value	Components of Customer Value	Online User Metrics
Monetary Value	Life-time value	Purchases since the time of registration
	Transaction value	Economic value of the last purchase
Social Value	Referral value	Number of shared stories
	Knowledge value	Knowledge sharing comments,
	Influencer value	Size and nature of personal network
	Co-creation value	Number of comments, blogs
Visitor Value	Volume of use	Time on site, page impressions
	Frequency of use	Number of visits
	Recency of use	Time of last visit

Fictional calculation example

- Online subscription 10€/month
- 5000 impressions in one month – price per 1000/20€
- Through links 100 persons in a month $100/1000 \times 20€$

- Monetary value 10€
- Visitor value 20€
- Social value 2€