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NEW MEDIA IN MARKETING COMMUNICATION IN MULTICHANNEL RETAILING

Summary: Together with the development of the Internet in the first decade of the 21st century, a growing number of retail trade companies conduct selling and distribution of their products with the help of on-line channels, which is now described as multi-channel retailing. Retail trade companies conducting multi-channel retailing make use of multi-channel marketing, and also multi-channel communication with the use of the Internet. Multi-channel communication enables the application of the communications principles of relationship marketing. New instruments of communication in the Internet give trade companies new chances to succeed and have a dialogue with customers. Thanks to marketing communication the individualisation of the process of communication is possible.

Keywords: new media, retail trade company, multi-channel retailing.

Introduction

Retail trade companies that have their retail outlets more and more often make use of a new sales channel – the Internet, counted among the so called new media¹. The situation leads to the development of the so called modern multi-channel trade which is described, as opposed to multi-channel trade in its traditional sense, as *multi-channel retailing*. Trade companies making use of on-line channels in the process of selling, also conduct specific marketing activities, including marketing communication activities based on the principles of relationship marketing [Bajdak (red.), 2003].

¹ The definition of new media is of an open nature as with time it has been enriched with new contents. At first, the term referred to the radio, and then together with the development of the television, it referred to it as well. When videotext and BTX appeared, the term new media was also used with reference to them. Nowadays, by new media one understands media that in the process of transferring data make use of digital technology, e.g., e-mail, World Wide Web, DVD, Blue-ray, CD-ROM. In the narrower sense, new media mean services offered in the Internet.

The aim of the paper is to present the nature and principles of conducting out as well as basic instruments of marketing communication based on the use of new media in companies where multi-channel selling is implemented.

The discussion concentrates on the retail trade companies which sell their goods by means of traditional distribution channels (shops, catalogues) as well as on-line channels. Marketing communication activities carried out by trade companies with the use of new media in the narrower sense of the term (i.e. stationary and mobile Internet) constitute the main focus of the paper.

The discussion concerns the years from the half of the first decade of the 21st century up to now, when a very fast development of multi-channel retailing and communication activities (including marketing communication) based on the technological development of the Internet took place. The discussion is based on the phenomena taking place in the developed countries.

1. The nature of multi-channel retailing

At the beginning of the 21st century, the issue concerning the use of many distribution channels by trade companies was one of the most important areas of research in marketing (the so called *multi-channel marketing*) [Schögel, Saurer i Schmidt, 2002]. This issue is strictly connected with the so called *multi-channel retailing* which is based on the simultaneous use and management of several distribution channels by trade companies, with a parallel connection of many processes having to do with it [Schobesberger, 2007].

The use of many distribution channels in trade has a long tradition. Multi-channel trade was used, among others, by first American department stores already in the 19th century. They sold their goods not only in stationary outlets, but also with the use of catalogues.

The development and the increase in importance of modern multi-channel retailing is connected with the implementation and use of the Internet in market activities of trade companies. Today, multi-channel retailing is based on making use of the combination of stationary distribution channels and on-line channels in the Internet [Drzazga, 2012]

It is emphasised in the specialist literature that in modern multi-channel retailing at least one distribution channel of a retail trade company dealing with stationary trade has to be an on-line channel. Additionally, the on-line channel has to be present in a given company, not in a group of companies. Thus, modern multi-channel retailing is a relatively new, innovative combination of stationary and on-line trade (or also mail order trade) used in one trade company (Fig. 1).

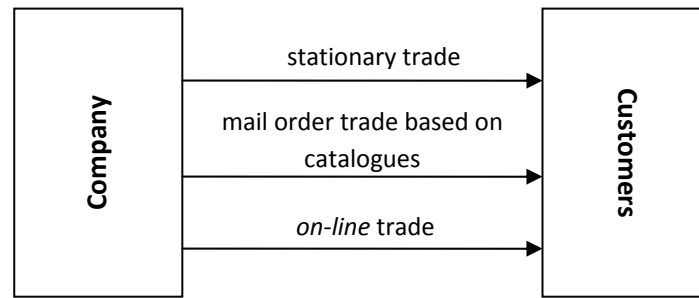


Fig.1 The nature of modern multi-channel retailing

Source: Drzazga [2012, s. 175].

In modern multi-channel retailing real on-line transactions have to be present [Heinemann, 2009; Müller-Lankenau, 2007]. The above mentioned view goes beyond the frames of traditionally understood multi-channel retailing and requires a different approach to trade. It results from the fact, that selling goods with the use of the Internet constitutes a totally new model of business.

In the case of employing the conception of multi-channel retailing by a company, only the most important, from the point of view of this company, distribution channels are chosen, and they have to be mutually connected and integrated. All this requires much organisational effort and the use of modern IT systems. The aim of the activities is the integration of distribution channels of a company, i.e., on-line shops, stationary shops, mail order sales, in order to increase the sales of its products. In the developed countries, already since the half of the first decade of the 21st century, many retail trade companies having stationary retail outlets have been implementing multi-channel retailing. The pioneers in this field were, among others, large European trade companies such as: Migros and Jelmoli in Switzerland, Carrefour in France, Aldi, Globetrotter in Germany, and Tesco in Great Britain.

Also in Poland, for several years now, many domestic and foreign companies having stationary outlets have been implementing the use of the Internet in their sales activities. The examples might be foreign companies functioning on Polish market – British Tesco, French Carrefour, and also Polish trade companies – Euro RTV AGD and Delima, as well as many smaller companies functioning regionally or locally.

The good sides of making use of multi-channel retailing by companies might be the following: optimal binding of customers, the possibility to gain the information about customers, the possibility to reduce the expenses, and the appearance of new business processes. As far as bad sides are concerned, the following are the most often mentioned: limited possibilities of making use of

some distribution channels, the possibility of cannibalisation of some of the distribution channels, much effort required to synchronise the activities, and the necessity to incur large investment costs [Grimm i Röhricht, 2003].

Nowadays, retail trade companies making use of multi-channel retailing conduct marketing activities that are described as multi-channel marketing which is based, among others, on the communication with customers carried out in various ways.

2. Marketing communication in multi-channel retailing

Marketing communication is a part of a very large field of knowledge described as marketing. Marketing as a process by means of which companies produce value for customers and build strong relationships with customers in order to receive, in exchange, specific values from them [Armstrong i Kotler, 2012, p. 36]. Marketing activities are conducted with the use of same fundamental instruments referred to as marketing-mix².

Marketing communication is an important element of marketing-mix. Its main objective is to support the selling of products and services offered by a company on the market. It is directed to present and potential customers of a company, as well as to other target groups that are important from the point of view of a company [Bruhn, 2008]. Marketing communication is carried out by means of several instruments, such as the following: advertising, sales promotion, personal selling, public relations, sponsoring, and events.

In the case of a retail trade company, the classification of marketing communication is characterised by certain differences. Some of the instruments of marketing-mix are identical in both, retail trade companies and manufacturing companies. These are especially advertising, sales promotion, personal selling, and public relations. These instruments are generally used to get in touch with customers outside of retail outlets of trade companies. They are used to carry out communication outside a company and to attract customers to a given outlet unit.

Communication carried out in a given outlet unit is an important element of marketing communication of a retail trade company. Such elements as, among others, the closest surroundings of a shop (e.g. car parks), façade, shop windows, sales rooms, the arrangement and exposition of goods, and sales personnel are

² The combination of elements that are component parts of marketing-mix is the basis on which marketing activities are conducted. In the specialist literature this combination of elements is known as '4P', i.e., *product, price, place* and *promotion*. As the result of some scientific dispute, there have appeared broader classifications of marketing-mix including five, seven and even eleven fundamental elements.

made use of. The aim of this type of communication is to influence directly the amount of goods being sold.

Marketing communication in a retail trade company making use of multi-channel marketing is based on the principles of marketing communication within the frames of relationship marketing. It consists in conducting a bilateral communication process, whose main aim is to satisfy the information needs of every customer. It is carried out on the basis of the interaction between two equal partners who exchange their roles, once being the senders and once the receivers of information [Lischka, 2000]. A company attempts to adjust its communications activity and transfer to the communications needs of customers who individually make choice from a wide range of communications offer determining on their own customer touch points. Customer touch points comprise all those places where communications contact between a company and its customers takes place. These are places where the image of a company and/or its products is created [Bruhn i Ahlers, 2007]. Customer touch points play the key part in shaping the quality of relationships with customers. These are the places where customers' impression concerning a company and its offer is most often created, which decides on the level of customers' satisfaction and attitude, which eventually is the decisive factor when it comes to purchasing a given product or service in a given company.

Customers' impressions shaped in customer touch points decide to a considerable degree on the level of customers' satisfaction and thus constitute the basis for the relationships with customers expressed by their loyalty towards a given company [Hefner, 2010].

Following are the principles of conducting multi-channel communication as described in the specialist literature [Bruhn & Ahlers, 2007, pp. 406-408]:

1. Abandoning of the use of the classical model of communication of the type *sender – receiver*. In the process of multi-channel communication customers are perceived as equal partners; the roles of senders and receivers are not strictly determined. The communicative initiative in the process of communication may belong to a company as well as to its customer.
2. The combination of the strategies of the type 'pull' and 'push', together with characteristic of them unidirectional communication, as well as bilateral communication and appropriate instruments, should support the appearance of the effect of synergy.
3. The combination of inside and outside communication. The communication in a company making use of multi-channel marketing has to be carried out outside the company by means of media, as well as inside the company (in its outlet units).
4. Mutually complementing use of personal communication and communication with the use of media.

Communication in a company making use of multi-channel marketing in a modern sense of the term should be carried out on the strategic level of the company. It should not be realised only on tactical and/or operational plane. Moreover, it should be carried out in an integrated way and should be characterised by continuity and constancy over time; it should lead to the increase in the level of customers' satisfaction, and also to the creation of homogenous image of a company.

Taking into consideration the above mentioned principles of conducting multi-channel communication, it may be observed that communication on-line, thanks to its characteristic features, with the use of stationary as well as mobile Internet, is especially useful to carry out marketing communication in trade companies.

3. New media in the process of marketing communication of trade companies making use of multi-channel retailing

Recently, communication by means of new media has been gaining more and more importance in modern multi-channel retailing. It can be observed that this type of communication is as important as traditional marketing communication carried out by means of such instruments as, e.g., advertising, sales promotion, personal selling, and public relations. Marketing communication carried out with the help of new media, especially the Internet, plays the key part in the phase before the purchase, it is also very important after the purchase, among others, thanks to the opinions expressed by customers³.

As far as trade is concerned, one may refer to new media used by customers generally at their dwelling place and/or at work, i.e. *inhome system*, as well as to new media available to customers at shops, i.e. *instore system*. Inhome systems have been ascribed much significance in recent years, which is connected with the growing acceptance of this type of communication on the part of customers and a growing number of people who use the Internet at homes. It is also caused by its advantages (compared with the so called traditional media) such as being interactive and multimedia. Thanks to them, consumers can directly, at the same time, with the use of the same medium and spontaneously react to information coming from a company. Consumers can, among others, exchange information with a trade company.

³ In the phase of making a purchase by customers, traditional instruments of marketing communication used in retailing still play an important role in the process of multi-channel communication in shops (e.g. advertisement in a shop, shop design, exposition of goods, sales personnel). However, more and more often new media accompany customers during this phase of purchase (e.g. electronic shopping assistant, smartphones enabling scanning QR codes to collect the information about a product and/or order a product).

The Internet is almost commonly used by trade companies to conduct marketing communication with customers [Bruhn, 2005]. While communicating with the help of the Internet, companies most often use websites, banner ads, electronic mail, and the so called social media. Marketing communication with the use of mobile Internet, mobile phones and other devices such as PDAs (Personal Digital Assistant) or laptops has been developing in the recent years.

The use of the Internet in the process of marketing communication of trade companies making use of multi-channel retailing guarantees that the principles of communication connected with relationship marketing are fully exploited. Undoubtedly, the possibility of instantaneous feedback in the process of communication, and the fact that the information is received individually by customers are good sides of marketing communication carried out by means of the Internet. It also increases the level of perception and memorising of the received information.

The traditional and most often used instruments exploited in the process of communication, including marketing communication in the Internet, by retail trade companies are the following:

- **Homepages** which are usually used to present a company, the information about it and/or its trade offer.
- **Banner ads** which show receivers just one piece of information. They can take various forms (e.g. banners: pop up, button, rich-media banner, micror-and nanostes, ad break). When clicked they allow the Internet user to transfer to the main website of a company.
- **Electronic mail**, especially *newsletters*, regularly sent to customers. It serves transmitting advertisements, conducting activities connected with sales promotion (e.g. competitions, discount coupons, the information about sales), and also PR activities.

Apart from the above mentioned instruments used to conduct marketing communication in the Internet, there is a group of other more modern instruments that have been used for several years. The first decade of the 21st century is the moment when a new era in the history of the Internet started – Web 2.0 [Schmidt, Lampert i Schwinge, 2010]. New kinds of internet platforms and communities appeared (e.g. Youtube, Facebook).

The internet platforms that appeared due to the technological development may be divided into the following:

- Platforms of information character (e.g. blogs, wikis) – they serve the exchange of information, and they also enable the creation, commenting and exchange of the information among the users of the Internet (e.g. Wikipedia).
- Social networks – they enable getting in touch and keeping social contacts among the users of the Internet (e.g. Facebook).

- Virtual worlds are platforms that, thanks to the computer technology, join people together by means of their virtual representatives, *avatars*, with objects in virtual worlds (e.g. Second Life) [Stanoevska-Slabeva, 2008].

The information that is created thanks to the Internet users by means of the above mentioned platforms is a very important characteristics of modern Internet. As far as some other features characteristic of the Internet communication platforms are concerned several more should be mentioned, among which e.g. their social aspect, virus nature, and various possibilities of their use depending on the existing needs [Boluminski, Karlein i Näscher 2009]. Thanks to the continuous development of internet technologies, consumers can work out contents and exchange different kinds of information, as well as cooperate in the frames of internet communities.

The platforms described above, also called *social media* in the specialist literature, were noticed some time ago and they are more and more seriously treated by companies, which use them to conduct their marketing communication. It is worth emphasising that in the case of retail trade companies carrying out multi-channel selling, this type of communication fully corresponds to the principles of conducting communication in multi-channel trade.

At the end of the first decade of the 21st century, the increase in number of companies using the so called mobile Internet in their activities could be observed. The companies most often create websites (*WAP*), and make applications (*Apps*), which can be installed in mobile phones, available. In many developed European countries, companies carrying out multi-channel selling, such as e.g. Aldi, H&M, Media Markt, or Ikea, offer their customers a variety of services available through mobile Internet. Mobile Internet is mainly used by companies to enable getting in touch with a company, search for an outlet unit, get to know about the offer of a given company, conduct sales promotion, inform about new arrivals, create shopping lists, make social networks available, and finally also run *mobile shops*.

Together with the development of mobile Internet and its use in companies, marketing activities, including also marketing communication in multi-channel trade, started to be conducted with the help of this new medium.

It should also be underlined that the development of the Internet, both stationary and mobile, led in the first decade of the new millennium to fundamental changes in the behaviour of its users with regard to creating and searching for information. Thanks to this new medium, millions of people all over the world join together into internet communities which spread in the net like a virus involving ever now and again new people.

From the point of view of a trade company, the fact that these communities exchange experience and assess products, brands and services, is of fundamental importance. It is also often observed that consumers before a purchase refer to the Internet to know more about the product they wish to buy or/and a company that offers it [Li & Bernoff, 2009]. The experience of independent consumers who own and use a given product is more reliable in the opinion of many consumers than, e.g. advertising, research results, or marking products with various symbols denoting, e.g. good quality, safety.

Summing up the discussion, it should be emphasised that the Internet can contribute to the success of a company on the market. Marketing activities carried out with the help of the Internet may lead to the creation and enhancement of market position of a company and its products. The Internet is a very important part of modern consumers' lives, which is why it should be taken into consideration while planning marketing communication activities. However, appropriate knowledge and creativity is required of the companies.

Conclusions

Retail trade companies more and more often use the Internet in their trade and communication activities, also in marketing communication. Together with the next phase of the development of the Internet (Web 2.0) that took place in the middle of the first decade of the 21st century, a growing number of retail trade companies conduct selling and distribution of their products with the help of on-line channels, now described as *multi-channel retailing*. Retail trade companies conducting multi-channel retailing make use of marketing activities referred to as multi-channel marketing, and also multi-channel communication by means of the Internet (stationary and mobile). Multi-channel communication enables the application of the communications principles of relationship marketing, i.e., equal status of the partners in the process of communication, with no strict *sender* or *receiver* roles ascribed to them, the use of the strategies of the type 'push' and 'pull', simultaneously with, characteristic of them, unidirectional and bidirectional communication, as well as the combination of personal selling and communication with the use of media.

New instruments of communication in the Internet give trade companies chances to succeed and open new possibilities to get to customer groups and have a dialogue with them.

Marketing communication in trade companies employing multi-channel selling makes it possible to individualize the process of communication and cre-

ate relationships with target groups, and even with individual customers. It can be achieved thanks to a dialogue, thus making real one of the fundamental ideas of relationship marketing.

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NOWE MEDIA W KOMUNIKACJI MARKETINGOWEJ PRZEDSIĘBIORSTW PROWADZĄCYCH SPRZEDAŻ WIELOKANAŁOWĄ

Streszczenie: Celem artykułu jest zaprezentowanie istoty, zasad prowadzenia oraz głównych instrumentów komunikacji marketingowej opartej na nowych mediach przedsiębiorstw handlowych prowadzących sprzedaż wielokanałową. Podmiotem rozważań są przedsiębiorstwa handlu detalicznego prowadzące sprzedaż swoich towarów zarówno w tradycyjnych kanałach dystrybucji (sklepy, sprzedaż katalogowa), jak również z wykorzystaniem kanałów on-line. Przedmiotem rozważań są natomiast działania z zakresu komunikacji marketingowej prowadzone przez przedsiębiorstwa handlowe za pomocą nowych mediów w wąskim rozumieniu, tj. Internetu (zarówno stacjonarnego, jak i mobilnego).

Słowa kluczowe: nowe media, przedsiębiorstwa handlu detalicznego, handel detaliczny wielokanałowy.