

Chapter 4.17

Portals in Consumer Search Behavior and Product Customization

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INTRODUCTION

A portal is defined as an entrance point to online content. The portal concept has evolved across a number of markets and applications. Customer portals focus on individual customer and offer a one-stop Internet access. By providing a number of services, such as searches, shopping, e-mail, and games, portals allow individuals to avoid browsing the Web but to in-fact rely and stay at one Web site like a one-stop shop. Accordingly, portals drive eyeballs, and hence create and drive advertising revenue and alliances. The concept of a single public port to given content on the Internet is used as a means of pulling in a large number of users. As an example, America Online (AOL) acts as a portal site to general Web content. It is a specialized portal created by AOL and also has content from partners such as Time Warner (Kleindl, 2003). This article reviews the role of portals in consumer search behavior and certain aspects in marketing.

PORTALS AND PRODUCT CUSTOMISATION

A key function of marketing is to match buyers and sellers, and facilitate transactions; to do this a firm needs to create the proper institutional infrastructure. It has been found that digital information goods, such as news articles, digital images, or music allow perfect copies to be created and distributed almost without cost via the Internet. With the introduction of the Internet as a commercial medium for businesses to conduct their activities, various studies have found that the technology is leading to aggregation. This, in turn, is fast becoming a profitable strategy for marketers, as the marginal production costs are low and consumers are generally homogenous. Several Internet-based technologies assist buyers searching: multimedia, high bandwidth, and rating sites provide more product information. These search engines can be hierarchical directories like Yahoo, generic tools like Alta Vista (in

early 1998) or specialized tools that work best in the context of specific markets like Pricewatch, ComputerESP for computers, or Expedia and Travelocity for travel (Casagrande, Nicholas, & Stevens, 1998).

Customer portals should provide company-specific information for customers, such as product information, inventory and order tracking, help desk applications, and other services (Kleindl, 2003). Marketers should begin considering portals as the brains of the organization as they can provide employees with vital information for success in hyper-competitive marketplace, in turn can secure the survival of the organization. The method is cost-effective because portal technology uses artificial agents, tiny programs to find and organize information rather than salaried employees.

Clarke, III and Flaherty (2003) suggest that portals are the most valuable land on the Web. According to them, about 90% of Internet traffic goes to 10% of Web sites, among which portals are the largest shareholders of that traffic. The authors have also found that about 15% of all Web page-view traffic goes through the top nine portals. Hence, this heavy traffic flow creates a unique position for portals as part of the overall marketing strategy of all organizations.

Some suggest that with portal technology it is possible for an individual to buy a newspaper at a local newsagent and this newspaper can be tailored to suit the person's specific information needs. This newspaper can contain a section on industry news, another on company news, and a third on all financial reports, all of this information may be very relevant to the person. If such a newspaper could be economically produced the reader would not need to buy a whole newspaper to read but just a few pages. Such customization can be achieved economically with portal technology because the artificial agents used in portals are programmed to search and index sites containing information the user specifies as relevant (Kotorov, 2001).

Slywotzky (2000) extends this concept of customization of products and services using portal technology to newer heights. According to the author, customers will soon be able to describe exactly what they want, and suppliers will be able to deliver the desired product or service without compromises or delays. This innovation is what the author calls "choiceboard," this concept includes interactive online systems that allow individual customers to design their own products by choosing from a menu of attributes, components, prices, and delivery options. The role of the customer in this system shifts from passive recipient to active designer. The shift is just the most recent stage in the long-term evolution of the customers' roles in the economy.

It was further illustrated that with a choiceboard system, marketers will see a major shift of customers becoming product makers rather than product takers. Traditionally, companies create fixed product lines that represent their best guesses about what buyers will want, and buyers make do with what they are offered. There may be some minor tailoring at the point of purchase—a few optional features or add-ons—but by and large the set of choices is fixed by long before customers even begin to shop (Slywotzky, 2006)

The choiceboard concept became an interactive, online system model, allowing individual customers to design their own products by choosing from a menu of attributes, components, prices, and delivery options. The customers' selections send signals to the supplier's manufacturing system that set in motion the wheels of procurement, assembly, and delivery. They are already in use for example; customers can design their own computers with Dell's online configurator. They can create their own dolls with Mattel's My Design Barbie, assemble their own investment portfolios with Schwab's mutual fund evaluator, and even design their own golf clubs with Chipshot.com's PerfectFit system. This Choiceboard is still in its infancy, as it is involved in less than 1% of the \$30 billion world economy (Slywotzky, 2006).

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