

Marketing to the World in Cyberspace: How major international banks reach out to the global marketplace

Baterdene Lkhagvadorj & Dr. Bruce W. N. Lo • IS • University of Wisconsin-Eau Claire



Abstract

To be successful in the global marketplace, International corporations face two challenges. On the one hand they need to convince world customers the unique brand value of their products/services, and at the same time tailor their offerings to the local needs and circumstances. To maximize their reach, apart from setting up local branches at different geographical sites (which can be very costly) these corporations rely on their e-business websites to market themselves in the cyberspace.

This research examined the approaches taken by the top 30 international banks by comparing their e-business websites in terms of the degree of localization, site server dispersion, webpage appearance and design, and website interaction features. Preliminary results show that these banks can be categorized into three different groups along the localization-globalization continuum. The differences highlight the distinctive ways taken by these banking corporations to reach and serve their international audience. The underlying principles of this classification scheme provide a useful set of guidelines to e-marketers for planning their global marketing strategies.

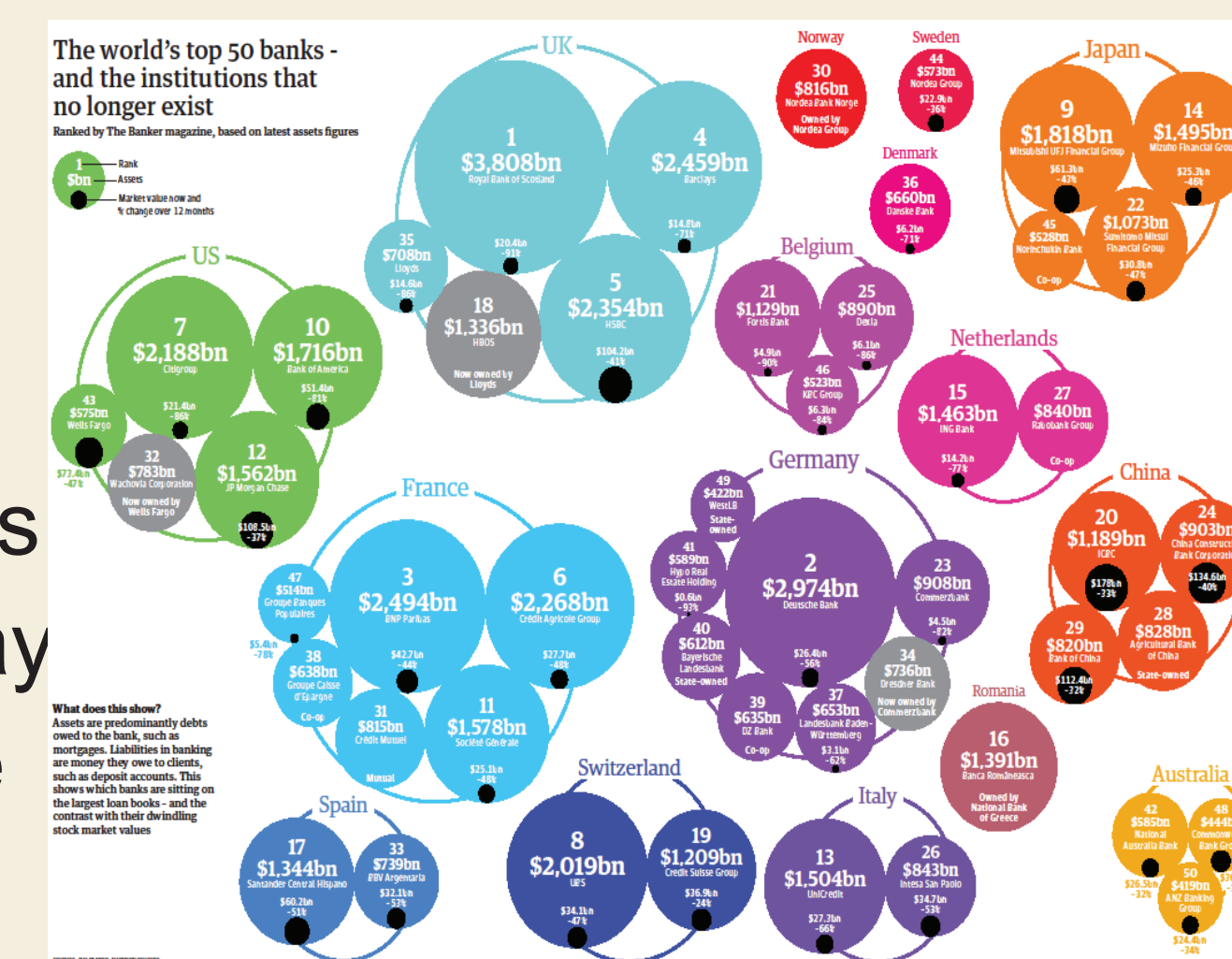
How did we select the top 30 banks?

Banks may be ranked by their size in capitalization, market value, brand value, total sales, net profit, credit rating, and safety. In this study, we compile the list of top 30 banks by ranking their total assets based on data provided by the publishers Forbes, Banker, and Guardian. The table on the left shows the top 12 banks.

Rank	Bank Name	Country	Assets (\$bn)
1	Royal Bank of Canada	Canada	\$1,800
2	Barclays	UK	\$1,450
3	BNP Paribas	France	\$1,350
4	HSBC Holdings	UK	\$1,300
5	JPMorgan Chase	USA	\$1,250
6	Credit Agricole	France	\$1,200
7	Citigroup	USA	\$1,150
8	Mitsubishi UFJ	Japan	\$1,100
9	Bank of America	USA	\$1,050
10	Societe Generale	France	\$1,000
11	Mizuho Financial	Japan	\$950
12	UniCredit Group	Italy	\$900

What criteria were used to classify them?

To market their services to other parts of the world through their corporation website in the cyber space, companies can employ different approaches. (a) They may create websites in different languages in different parts of the world, (b) They may also use different layouts (site designs) for different parts of the world, (c) They may host the sites in different servers, or (d) They may create different pages on the same server. Thus we classify the bank websites in two dimensions:

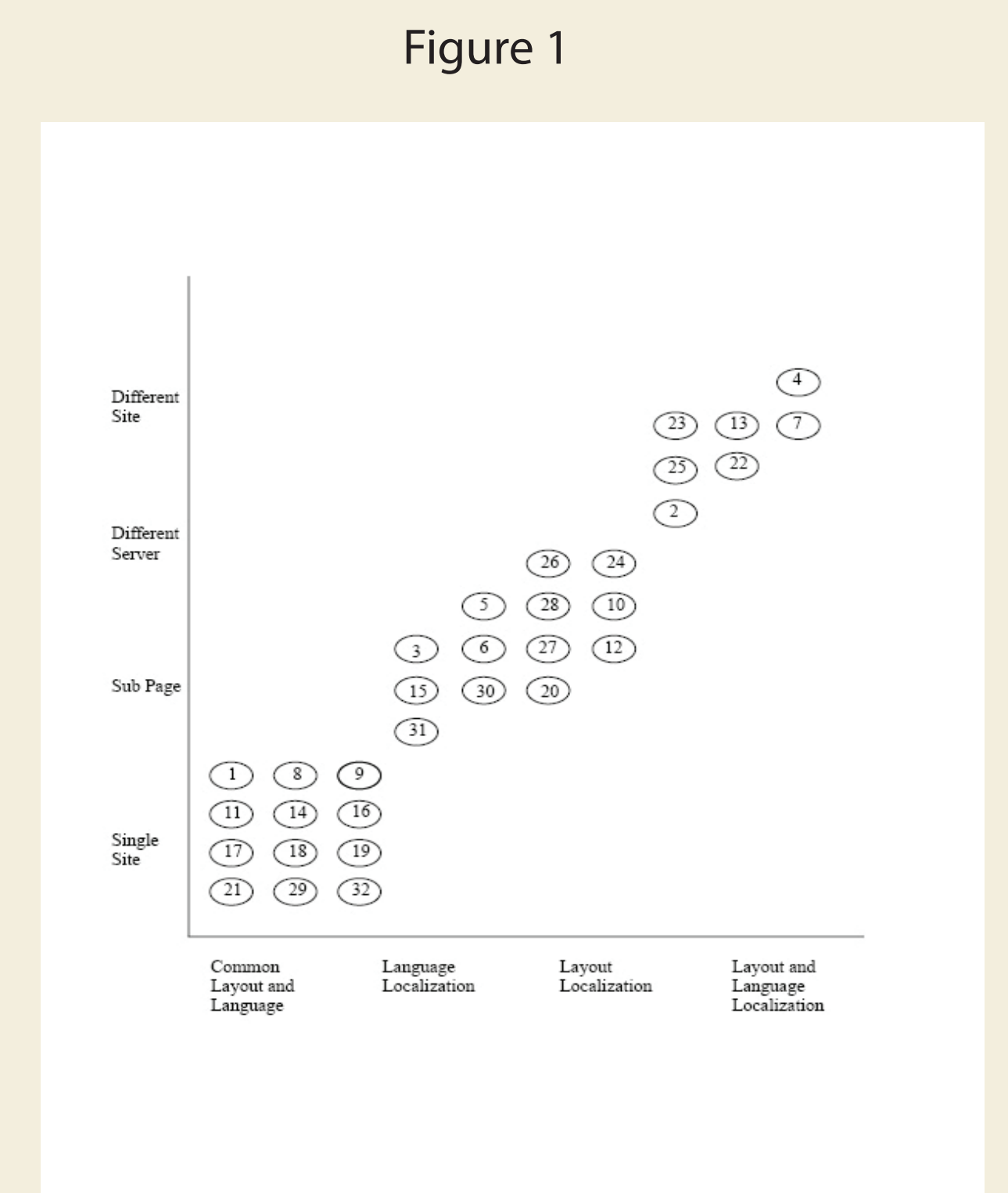


- 1) Server Technology used: Single site – multiple sites in single server – different site servers.
- 2) Language & Cultural Localization: single versus multiply language sites, and the degree of local adaptation of site design

What pattern did we observe?

Figure 1 shows the classification of top 30 banks according to these 2 dimensions. The banks seem to fall into three groups.

- **First group** has a single site with common layout design and one language.
- **The second group** has more than one layout design and language. These are implemented as subpages or at different server.
- **The third group** has the most localization by using different servers, different layout designs, and different language options

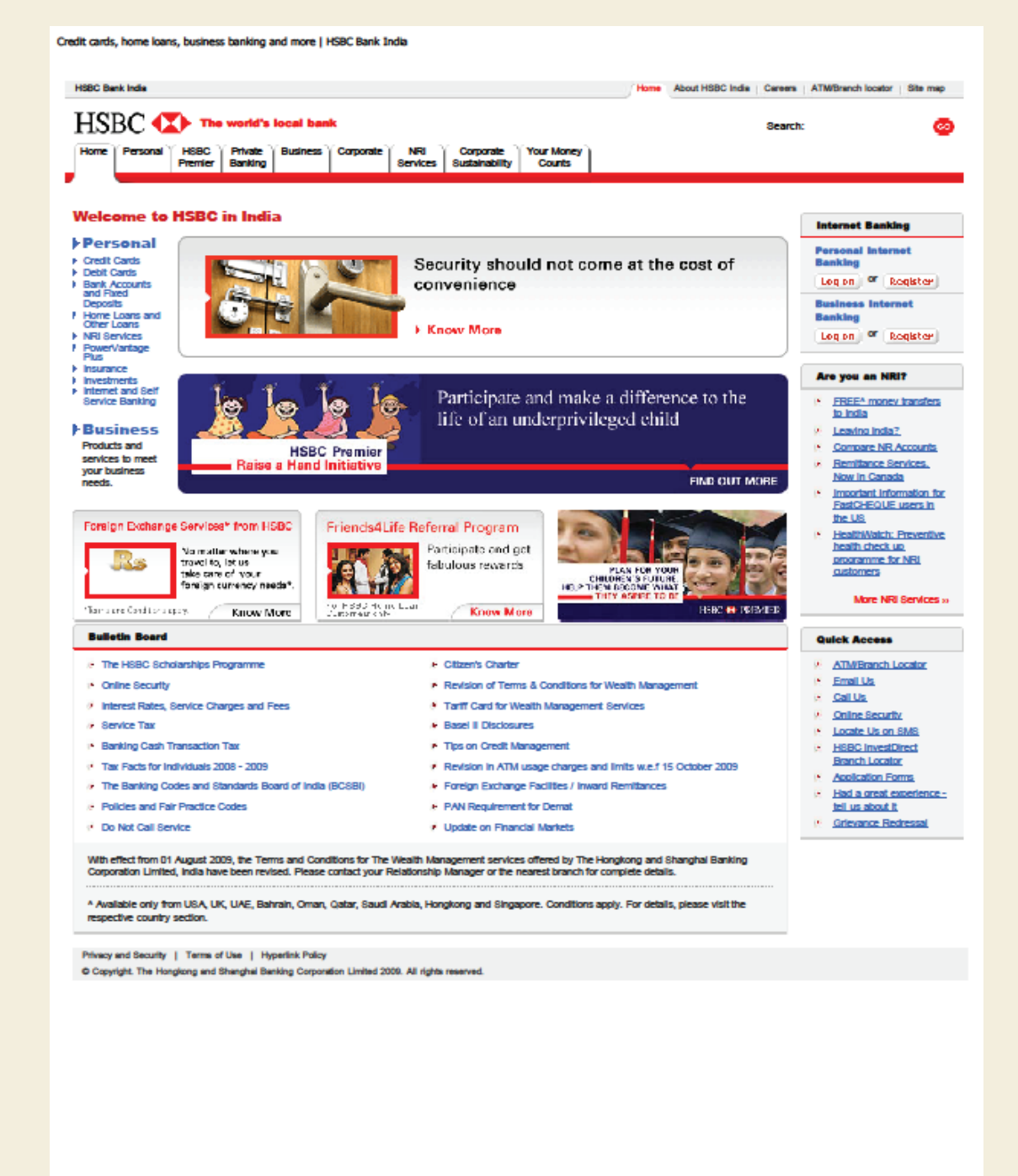
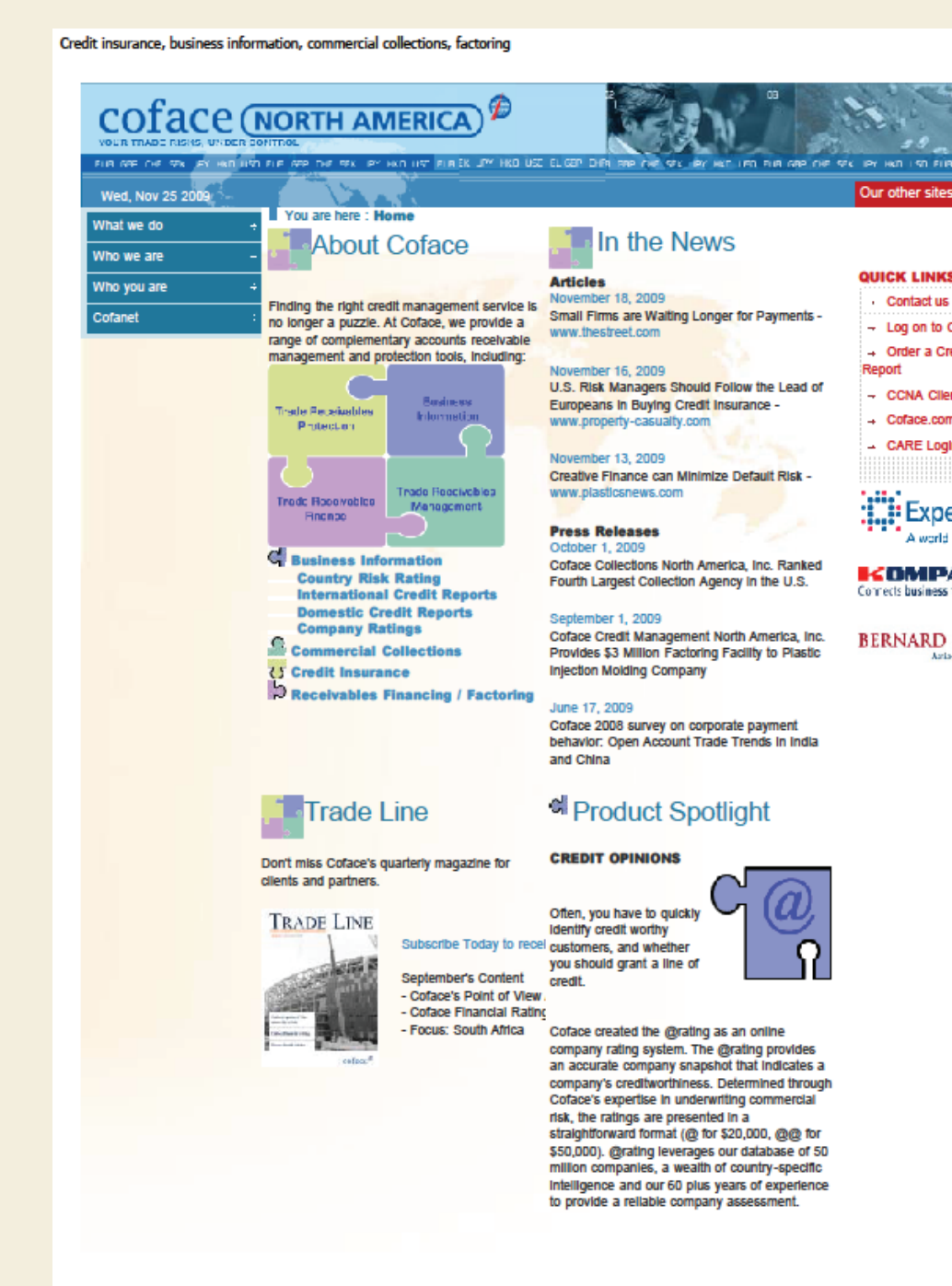


Do groups show different site design features?

We then compare these three groups in terms of a number of site design features:

- * Global to local content on home pages
- * Text to graph ratio on home pages.
- * Amount of white space
- * Number of links as an indication of interactivity

	N=	Local/Global	Text/Graph	White Space	# of Links
Group 1	7	7	1.49	14%	14.74
Group 2	13	2.87	2.48	11%	13.83
Group 3	12	1.69	4.49	11%	14.67



Discussion

- Different international banks may use different approaches to market themselves to other parts of the world.
- Some for simplicity reasons or otherwise, use a single site and language for the entire world - representing a globalizing approach.
- Others would use a mixture of approaches, such as (a) different languages, (b) different site layouts, or (c) different site hosts to localize their presence.
- Those banks having the most dispersed presence tend to use all (or more) of the three localization tools.



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