

# MKTG 306

## E-Marketing

### Chapter 1: Past, Present and Future

**E-marketing**; the use of information technology for the marketing activity, and the process for creating, communicating, delivering, and exchanging offerings that have value for customers/clients/partners and society at large.

#### The marketing process

1. Understand the marketplace and customer needs and wants
2. Design a customer-driven marketing strategy
3. Construct an integrated marketing program that delivers superior value
4. Build profitable relationships and create customer delight
5. Capture value from customers to create profits and customer equity

#### Groundswell

Social strategy development

The POST approach:

- **People** - Assess your customers social activities
- **Objective** - Decide what you want to accomplish
- **Strategy** - Plan for how relationships with customers will change
- **Technology** - Decide which social technologies to use

#### Fundamental changes to marketing from the internet

- Balance of power
- Market fragmentation
- Death of distance
- Time compression
- Critical knowledge management
- Interdisciplinary focus

#### What works?

**The customer is CEO**; Customers are now in charge. Companies must now crowdsource.

**E-commerce**; People do most of their stuff online these days

**Advertising marketing**; Second biggest marketing budget (after TV)

**Search engine marketing**; 47% of online marketing budgets - Google adwords

**Owned, paid and earned marketing**; Traditional methods of marketing are now used to generate earned marketing

**Mobile marketing**; Smart-phone advertising

**User-generated marketing**; Consumer generated ads, feedback, suggestions

**Social media communities**; Used to create brand communities and engage with customers

**Content marketing**; Online content - videos, blogs, ebooks

**Local and location based marketing**

**Brand transparency**; Companies who aren't honest get exposed online easily

**Inbound marketing**; Strategies to entice consumers to find companies instead of spamming with ads

**Metrics rule**; Can track every click

**Internet**: global net-work of interconnected networks. Data moves over phone lines, cables and satellites from sender to receiver.

**E-business**: the optimisation of a company's business activities using digital technology. Involves attracting the right customers and business partners

**E-commerce**: subset of e-business focuses on online transactions, value creation, virtual marketplaces

- Mobile commerce
- Social commerce

### E-marketing is bigger than the web

The “web” is the portion of the internet that supports a graphical user interface for hypertext navigation with browsers

- Email, skype, texts etc are not the web

### E-marketing is bigger than technology

- **Individuals:** Provides individuals with convenient and continuous access to information, easy communication,
- **Communities:** strangers communicate, play games, use SM, file sharing etc.
- **Businesses:** enhances processes and activities across disciplines. People can work together across the world. Information can be shared. Search engines. Strategies and results can be accessed at one click.
- **Societies:** more efficient markets, more jobs, information access, communication globalisation, lower barrier to foreign trade and investment.
  - o Unavoidable negatives as a result of new technologies.
    - Creating a global village will remove cultural differences
    - Taking time from family and friends
    - People becoming workaholics
    - May lead to increase in class division as you need money and education to use the internet
    - Spam and online fraud issues

### E-marketing's Past: web 1.0

**1969:** Internet started as the ARPANET - academic and military use only

**1990's:** commercial use of the web began

**1993:** Release of HTML

**2000/2002:** “dot.com bust”

More than 500 internet firms shut down in the U.S.

pets.com - didn't have a sustainable business model and didn't account for delivery costs

**2002:** release of flash player 6

**2003:** launch of myspace social network

**2004:** Amazon.com announced first profit

### The E drops from E-marketing

- E-marketing and E-business became normal, so marketing and business just assumed to be online.
- There are different models, concepts and practices however. Therefore marketers must stay well grounded in the discipline of marketing while simultaneously be current on new information technologies.

### E-marketing today: Web 2.0

- “A set of applications and technologies that allows users to create, edit and distribute content; share preferences, bookmarks and online personas; participate in virtual lives; and build online communities.
  - Youtube, Wikipedia, facebook, linkedIn, Wordpress etc.
- All web 2.0 applications have;
  - User and consumer-generated content
  - Easy search capability
  - Highly interactive
  - Rely on broadband connectivity
  - Attract large audiences

### Power shift from sellers to buyers

- Marketers are now having to give up their power to consumers who want more control over the ways products are peddled to them.
- Buyers are now one click away from all competitors
- Social media enables comments to spread quickly - WOM & eWOM
- Trends shifting this power:
  - Consumers trust each other more than companies
  - Market and media fragmentations - Mass market disintegration leading to more focused and sometimes one-on-one marketing.
  - Connections through social media

### Customer engagement

- Consumers connecting with a brand emotionally or intellectually. This makes them more attentive and feel more favourable towards a brand.
- Crowdsourcing: E-businesses engage users by enticing them to participate in their content or media.

- Doritos: annual contest to create a 30 second video and a winner is decided by site-visitors which is then played at the superbowl
- Kickstarter.com: Investors asking consumers to help fund new products

### Content marketing

- Producing and sharing content on websites and social media to attract consumers

### Inbound marketing

- Outbound marketing has become difficult as consumer don't like to be interrupted from their lives by advertising. The rise of DVR, online Tv and "do not call" lists have further challenged it.
- Inbound marketing is being found online instead of interrupting consumers with outbound marketing.
- This is done through content, social networks and SEO

### New technologies

- Wireless networking and mobile computing
  - Consumers demand information, entertainment and communication whenever and wherever and in small file sizes for fast downloading
- Cutting the cord of landlines and televisions
- Appliance convergence
  - "Smart" phones, cars and refrigerators (LG)

### Exciting new technology-based strategies (trendwatching.com)

- One-click delivery
  - Uber
  - Red Tomato Pizza (Dubai pizza delivery that sends your favourite pizza if you simply click on a fridge magnet that is connected through wifi.
- Voice navigation
  - Siri
- Physical objects connected to smartphones (Internet of things)
  - Audi's e-bike
  - Richard Nicoll and Vodafone created a bag that will charge an iphone.

### **The future: Web 3.0**

- Applications which are pieced together, run on any device, are very fast and are distributed virtually.
- Connective intelligence, connecting data, concepts, applications and ultimately people.

### Semantic Web

- Provides a common framework that allows data to be shared and reused across applications, enterprise, and community boundaries. It is a collaborative effort led by W3c with participation from a large number of researchers and industrial partners

### Stepping stones to web 3.0

- Forrester research believes that interactive media will cannibalise traditional media. Some predictions are:
  - Wearable computing
  - 3D printing
  - Distance education
  - "Big data" sea of information
  - Google wallet - no more cash or cards
  - Cloud computing

