

# [The role and importance of internet management marketing essay](https://assignbuster.com/the-role-and-importance-of-internet-management-marketing-essay/)

In today’s highly digital world and fast paced business environment, the use of technology is something inevitable especially that more and more people are spending more time in the use of computers and the Internet. According to Besselaar, P. (2001), what most people in the world today experience is known as the rise of the e-commerce era wherein consumers are relying more and more in the use of technology, specifically the Internet, when it comes to accomplishing their daily routines like eating, shopping, socializing, etc.

Since a huge chunk of consumers are now online, it is not surprising to see the presence of many businesses as well in the Internet since their aim is to catch up with the new lifestyle and demands of their consumers. Given this new trend called “ e-commerce” which was basically fueled by millions of online shoppers around the world, most businesses today are actively engaging in various advertising and promotional efforts online (Russell, M. 2009).

According to Russell, M. (2009), most businesses today are fast establishing their companies in the Internet realm simply because the customers are there. In fact, there are already many companies whose main line of business was primarily built and established online. Hence, because of these amazing changes in the ways of conducting the business, there is a continuously growing need to understand how the Internet works, how the business could work online and how a specific business could effectively use the Internet in order to market the company’s products online.

The concept called “ Internet Marketing Management” simply deals with the most effective and cost efficient ways of selling one’s business online and tapping a much wider and more profitable market segment (Besselaar, P. 2001). Aside from this, there are many benefits and advantages in making use of the Internet in marketing and advertising a business’ products and services.

One benefit of Internet Marketing is the omnipresence of the Internet or cyberspace which can be accessed whether one is at home, in the office or even outside the country. This specific marketing medium is capable of removing the most common barrier such as accessibility between the consumer and the business as both can access the Internet wherever and whenever they may be (Shaalz, 2010).

Moreover, the use of the Internet is very cost-efficient as there is only minimal costs involved in sending e-mails and setting up a website for the business. Also, the business can send direct responses to its client in a more customized and personalized way which may help promote a healthy business-client relationship. Furthermore, any product updates, price changes and news about the company may be made immediately in the Internet (Shaalz, 2010).

Given these many advantages of using the Internet for businesses, there is undeniably a need to further explore the highly increasing role of Internet Marketing Management and its importance in the e-commerce field.

## Importance of Research

The results of this study shall benefit firms and organizations that utilize internet marketing in doing business. Since the main objective of this is the examination of the extending role of internet marketing in businesses today, the results shall guide owners and businesses on how to streamline their respective processes in relation to the usage of internet marketing.

## References to some Literature to be Employed

Certain organizational changes have facilitated the growth of relationship marketing. Amongst these the most significant is the role definition of the members of the organization. Through a variety of changes in organizational processes, companies are now directly involving users of products and services in the purchase and acquisition decisions of the company. For a considerable time, these functions were managed by the procurement department as a specialized function, with little or no input from the actual users of these products and services. Thus the separation that existed between the producer and the user due to the existence of user middlemen, acting as gatekeepers, is potentially bridged in many cases. Wherever such changes are being made, direct interaction and cooperative relationship between producers and users develop.

Finally, in the post-industrialization period the increase in competitive intensity is forcing marketers to be concerned with customer retention. As several studies have indicated, retaining customers is less expensive and perhaps a more sustainable competitive advantage than acquiring new customers. Marketers are realizing that it costs less to retain customers than to compete for new ones (Rosenberg & Czepiel 1984). On the supply side it pays more to develop closer relationships with a few suppliers than to develop more vendors (Hayes, Wheelwright and Clark 1988; Spekman 1988). In addition, several marketers are also concerned with keeping customers for life, rather than merely making a one-time sale (Cannie and Caplin 1991).

In summary, relationship-orientation in marketing has staged a comeback. It was only during the peak of industrialization that marketing’s orientation shifted toward a transactional approach. With the advent of middlemen, and the separation of producers and users, there was a greater transactions orientation. Industrialization led to a reversal in the relationship between supply and demand, when due to mass production efforts producers created excess supply of goods and services and were them selves preoccupied with achieving production efficiencies. Thus, they needed middlemen to service the customer. The middlemen in turn, adopted a transactional approach as they were more interested in the economic benefits of exchange than the value of production and/or consumption. Although efficiencies in product distribution were achieved through middlemen, effectiveness was not always accomplished as was evident from the literature on channel conflict.

Although the exchange paradigm has been very useful in the development of marketing theory, it has outlived its utility. Born out of the transactions focus, the exchange paradigm serves a useful purpose in explaining value distribution among marketing actors. In the industrial era, where only manufacturers created value through their developmental and production activities, and middlemen shared the risk of ownership and provided the time and place utility, exchange paradigm was a useful way to study value distribution among these marketing actors. Consumers derived a surplus and utility from this exchange, but they could not contribute as much in value creation. However, where consumers are involved in co-production and have interdependent relationships with producers, the concern for value creation is paramount. For example, in home building, buyers get involved and emotionally attached with the home building process seeking to create value for them. The nature of interactions between the builder and the home buyer is not related to the exchange as much as it to create a dream home for the buyer. Exchange paradigm may explain the transaction in an existing home sale where value distribution is being undertaken; however, in the home building case or other situations where consumers are directly involved as co-producers, co-designers or co-marketers, there is a need for an alternative paradigm of marketing.

Galloway et al (2004) examined the development of internet based businesses and their respective potential in overcoming difficulties being faced by businessmen in Scotland. The study has found out that variable experiences for the forum concludes that the ideal forum make up, organization and impact are inseparable from the regional business context. Additionally, it was concluded by this study of Galloway et al that the long run sustainability of the forum is deemed problematic since the more effective the forum is enabling the rural business of ICT; there will be less need of a forum.

Poon and Swatman (1997) conducted a study with small businesses in Australia that use the Internet for their businesses. This study focused on the identification among the participants in the role of the Internet as a communication medium; enthusiasm of the management in the usage of Internet in their business; the perceived benefits in using the Internet; the extent of the integration between the Internet and internal management system; and the need to being entrepreneurial with the usage of Internet application. It was concluded by the authors that the most crucial factors that affect internet use in businesses are the commitment of the management and the perceived benefits.

On a related study, Chau (2003) conducted a study among thirty four Australian SME’s. This case study has revealed that a wide range of e-commerce activities are grouped into six categories namely : banking, communications, customer service, sales and marketing, enhancement of existing business processed; and cost reduction. It was concluded that the benefits from e-commerce increases if the firm makes changes in the organizational structure and processes that are complementary.

## Objective of the Research

This research proposal entitled the “ Role and Importance of Internet Marketing Management in E-Commerce” is intended to examine the increasing role and importance of the application of the basic principles of Internet Marketing Management in the field of e-commerce.

Specifically, this study aims to achieve the following identified objectives:

To define the concept of Internet Marketing Management

To define the concept of e-commerce

To determine the basic principles of Internet Marketing Management and its importance

To briefly describe the advent of e-commerce and its importance

To examine and assess the role that Internet Marketing Management plays in relation to e-commerce

To identify the importance of Internet Marketing Management in relation to e-commerce

In relation with the above mentioned research objectives, the researcher seeks to answer the following research questions:

What is Internet Marketing Management?

What is e-commerce?

What are the basic principles of Internet Marketing Management and how important is it in today’s digital world?

How did the advent of e-commerce transpired and how important is it in today’s digital world?

How would you examine and assess the role that Internet Marketing Management plays in relation to e-commerce?

How would you identify and rate the importance of Internet Marketing Management in relation to e-commerce?

## Methodology

This research will make use of the positivist research method as applied in a case study setting. The positivist theory was introduced in 1853 by the French philosopher Augusto Comte. According to him, “ all good intellects have repeated, since Bacon’s time, that there can be no real knowledge but that which is based on observed facts”. Comte has gained attention with regards to many issues by this statement. The first issue is that reality is objective and external to some point, and this is what is called as ontological assumption. The second issue is that knowledge requires the observation of reality, thus, this makes knowledge important (cited in Easterby-Smith et al., 2006). The positive approach gained acceptance in the United Kingdom and United States since the assumptions of this theory are understandable (Delanty, 2003). The main assumptions of positivism are independence, value-freedom, causality, hypothesis and deduction, operationalization, reductionism, generalization, and cross sectional analysis.

The ontology of the positive theory is the world of objective. It is completely independent from human beings. The positive person assumes that the world is external and objective, and that people have no any influence on the social reality (Chua, 1986). Epistemology, it is considered that all the observations are separate from theories, in other words positive researcher tend to test hypotheses and after that he/she can deduce future events (ibid.). Positive researcher can be inductive or deductive. Induction is a process starting from observations in order to develop theories. In contrast, deduction is a process where you start from theory (hypotheses), so the researcher will make further observations to ensure that the theories meet the findings (Drever, 2007).

Essentially epistemology concerns itself with how knowledge is accepted, how we know what we know. It is about how we can establish which truths are both adequate and legitimate. Western epistemologists have often distinguished between two types of knowledge which is gained through reason alone and that which is gained through application and experience. The epistemology that will be adapted in this research is the knowledge gained in the area of commercial contract through application of law and the experience of legal practitioners.

The central element in any philosophy is its epistemology which refers to the theory of knowledge and the fundamental epistemological question of how we know what we know. In epistemology one strives to generate truthful and justified descriptions and explanations of the world. Associated with epistemology is the philosophical framework of ontology, which Johnston (1986) describes as the nature of being, existence and reality, or ‘ what can be known’. The manner in which we answer the question of ‘ what exists’ determines what can be accepted as fact and thus is the basis of every investigation. The divergent epistemologies and ontology’s together inform the methodologies for any piece of research, which, in turn, must be appropriate to the questions or problems that prompt the research enterprise.

A qualitative study with the use of descriptive approach will be utilized mainly for this research study to achieve the aim of examining the increasing role and importance of the application of the basic principles of Internet Marketing Management in the field of e-commerce. This paper will be a qualitative research. According to Hartman, Lewis, and Powell (2002), a qualitative research focuses on analysis of events. It deals with qualitative data, which deals with descriptive analysis of what happened. A qualitative study is also concerned with understandings, processes, interpretation, and is very particular, in comparison to deductive studies (ibid). Qualitative research is a method used to elicit detailed verbal and written descriptions or accounts of characteristics, cases and situations. (Rubin & Rubin 1995; Alasuutari 1998; Stringer 1999).

A substantial amount of respondents totalling to 200 businessmen whose main businesses exist online will be invited to participate in the research study. Using a random generation of telephone numbers and the use of the Computer Assisted Telephone Interview (CATI) technology accompanied by a two-stage stratified sampling method, respondents will be selected based on the criteria set by the researcher.

The qualifications and criteria set by the researcher include: Males/females, 25-55 years old, business owners selling various products and services online and whose business is active in the different advertising and promotional activities online.

The qualitative study for this research will be divided into two. The first phase of this qualitative study will involve a gathering and collection of relevant academic literatures related to the topics on E-Commerce and Internet Marketing Management, each addressing the above-given identified objectives. This will involve a three-month period of collecting and compiling related literatures and previous studies related to the topic through the aid of various archival instruments such as journals, books, magazines and previous researches related to the same topic.

The next phase of the qualitative study will involve a floating of survey questionnaires to the 200 pre-selected respondents who mainly business owners are selling various products and services online. Finally, the third phase will involve a series of interviews and focused group discussions by the recruited participants and respondents for this particular research study.

The main research instruments and tools that will be utilized for this study is purely qualitative in nature as this research aims mainly to address the main objective of this research study which is the identification of the role and importance of Internet Marketing Management in relation to e-commerce.

Qualitative research shares the following aspects of scientific research: (1) seeking an answer to a question, (2) using a systematic approach to a predefined set of procedures, (3) data collection, (4) producing results that have not been predetermined, and (5) producing findings that are reproducible and can have implications beyond the immediate scope and limitations of the study. But apart from sharing these basic attributes, qualitative research also seeks to answer a particular research problem or question from the point of view of the local population in which it is embedded. This gives rise to valuable insights into the culturally specific values, opinions, behaviours, social contexts, and activities of particular populations (Mack et al. 2005).

In addition, qualitative research is also more compatible with doing studies on social and cultural phenomena. Qualitative data sources are obtained firsthand, including “ observation and participant observation (fieldwork), interviews and questionnaires, documents and texts, and the researcher’s impressions and reactions” (Myers 1997). Qualitative data can take the form of field notes, audio (and sometimes video) recordings, and transcripts (Mack et al. 2005).

Also, since the requirements needed to address the aims and objectives of this research study is purely descriptive in nature, the research tools and instruments proposed by the researcher were also descriptive in nature which involves a self-assessed survey questionnaire, interviews and focused group discussions. Some of the important questions that will be asked of the respondents include “ How do you rate the importance of Internet Marketing in the success of your business?”, “ What role does Internet Marketing play in your business’ success?, “ How active are you in practicing Internet Marketing in your business?”

The researcher proposes that data for this qualitative study will be collected and generated via the Computer Assisted Telephone Interview (CATI) technology which will be the main tool that will be used to conduct the interviews for this research study. Also, this tool will be used to randomly select the participating respondents in this research study. Using a random generation of telephone numbers accompanied by a two-stage stratified sampling method, respondents will be randomly selected based on the criteria set by the researcher.

To ensure the quality of the chosen qualified respondents and to increase the confidence, accuracy and reliability of the research results, all the data gathered in this research study which includes the recorded interview conversations as well as the recorded FGDs will be recorded, transcribed and then collated. Furthermore, all the recorded interview conversations will be encoded into a written report for an easier tabulation, interpretation and analysis of all the raw data obtained from the respondents.

This qualitative research study which is mainly descriptive in nature intends to invite 200 businessmen, whose line of business is mainly online or in the Internet, given an identified set of criteria. This research intends to distribute self-assessed survey questionnaires to the respondents and use the Computer Assisted Telephone Interview (CATI) technology in conducting the interviews and focused group discussions for this research paper. The SPSS or the Statistical Package for the Social Sciences program will be used for a much clearer and accurate data analysis.